Enterprise Resource Planning System

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May 9, 2008

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EXECUTIVE SUMMARY

Our team, having researched various aspects of Mattel's financial position, the toy industry in general, and the various available ERP systems and modules, have prepared the following report. In summary, Mattel is in an industry on shaky legal footing, which is constantly losing ground to the video game industry. However, they are firmly first in that industry, with little indication of forthcoming change. This has the precarious position of having the most to gain, but also the most legal and financial liability. For this reason, it is our belief that an ERP system by SAP containing sales and distribution, supplier relationship management, and quality control modules along with the standard modules would be greatly beneficial.

Simply put, a sales and distribution module would help Mattel regulate all aspects relating to sales and maximize storage utilization, reducing costs. A supplier relationship management module would assist Mattel in keeping track of the various suppliers they rely on, streamlining performance reporting and (together with the sales and distribution module) keeping track of exactly which products may need to be recalled. Finally, the quality control module will assist with maintaining testing equipment, scheduling quality assurance tests, and performing random tests.

Based on our estimations, rolling out a module for a system of this size in Mattel's ten U.S. locations will cost about $20,000,000 and require about 3 years to complete. This will then be followed by five more years of regular status meetings. We justify this expenditure by estimating that between increased operational efficiency and reduced legal problems, these costs will be reconciled within (FILL IN LATER) years. Thank you for your time. We look forward to working with you.

INDUSTRY ANALYSIS

INDUSTRY INFORMATION

This industry analysis broadly describes Mattel's external environment in the context of a global perspective. Because of the focus on the analysis of ERP and software/technological solutions that stand to bring benefit to Mattel's competitive spirit, the primary focus will be on the current trends of the Toy Industry and Mattel's current standings in relation, with emphasis on technology and the overall business strategy of the company. In addition, a brief introduction of the industry is provided, pointing out: main competitors and their respective market shares; current highly competitive/contested marketplaces and product niches, including untapped markets; current sales and forecasts for the Toy Industry; current and potential problems facing the industry; and overall technological solutions that are prevalent in the Industry, or on the nearby horizon.

The U.S. Department of Labor classifies Mattel Inc. via the Standard Industrial Classification (SIC) codes: 3942 - Dolls and Stuffed Toys; 3944 – Games, Toys, Games And Sporting And Athletic. Mattel is specifically involved in the production of these products, and is further categorized as within the Major Group 39-Miscellaneous Manufacturing Industries, and Division D-Manufacturing. The U.S. Census Bureau classifies Mattel under its North American Industry Classification System (NAICS), which was jointly developed by the U.S., Canada, and Mexico, and considered the future for classifying industries. Mattel's NAICS codes are: 339931 – Doll and Stuffed Toy Manufacturing; 339932 – Game, Toy, And Children's Vehicle Manufacturing. More specifically, Mattel Inc. is not only involved directly in the production and

manufacturing of toy products, but equally responsible for the design and marketing of their new toy products and brands, along with its many subsidiaries, on a global scale (Dolls and Stuffed Toys, 2007).

Mattel Inc. is the #1 Toy manufacturer in the world, a result of an efficient design and marketing department, who have developed many well known name brands, such as Fisher-Price, Hot Wheels, Matchbox Cars, American Girl Dolls, and world renown Barbie Dolls-responsible for 20% of Mattel's profit (Kavilanz, 2007). Much credit can be pointed to the clever and powerful marketing department which has, in the past and present, struck deals to capitalize on pop-culture phenomena through licensing of well-known brands (e.g. Nickelodeon, Batman, Sesame Street, and Disney). In addition to the small toy and doll brands, Mattel is also involved in the production of board games, and has recently diversified in the market for cellular technology, providing games for mobile phones. In addition, "Mattel is is pinning it's hopes on what it calls 'youth electronics' as a key driver of sales" (Kavilanz, 2007) for the year 2007. Furthermore, as traditional toys lose their appeal, in particularly their flagship product Barbie, Mattel is in the testing phases of an online Barbie community for girls, offering a safe Myspace.com experience for girls (Kavilanz, 2007).

The industry can be broken down into two main categories for Mattel, domestic-within the U.S., and non-domestic-the international markets. The domestic market for the industry can be characterized by sales through large retailers such as Wal-Mart, Toys 'R Us, Target, etc, which make up a large chunk of sales for the industry. In addition, "Mattel's products are sold throughout the world. Products within the domestic segment are sold directly to retailers, including discount and free-standing toy stores, chain stores, department stores, other retail

outlets…" (Annual Report 2006, pg.7). In the International market, products are mainly sold directly to retailers and wholesalers in Canada, Europe, and Asian and Latina American countries. Mattel has no real strong direct establishment in the International sector, where it can provide their products directly to consumers. In fact, one of Mattel's obstacles is obtaining less reliance on its large consumers such as Wal-Mart, and creating a closer relationship with the actual consumers, primarily through direct sales via the internet and its online shops (Hoovers, 2008). However, it should be noted that already well established companies such as Amazon.com, and Mattel's largest consumers: Wal-Mart, Toys 'R Us, and Target, all provide online shops, complicating that aspect of Mattel's competitive market. Fortunately, Mattel can offer lower prices, yielding their power of being the largest toy manufacturer in the world. In congruence with that information, Mattel's top 10 consumers made up 41% of the sales in 2007 (Kolb, 2008).

According to the ICTI (International Council of Toy Industries) the world's toy market has grown steadily, from 61.2 billion dollars in 2004, to 63.7 billion in 2005, and 67 billion dollars in 2006, with the majority of revenues coming from the United States, Europe, and Asia, each accounting for 36%, 29%, and 24%, respectively, in the year 2006 (Toy Markets In the World, 11). Strong future growth markets include Latina American nations, particularly Brazil, and the Asian nations, primarily China, India, and Indonesia. Of these global markets, Mattel holds the largest market share with 16% of the global toy industry, with Hasbro trailing at 11%, both statistics including the U.S. (WikiInvest.com, 2008). While 16% might seem meager, it is quite a commanding lead in the industry, and does leave room for vast improvement that matches the company's business strategy of more traditional-slower-growth over time, instead of

capitalizing on small bursts of revenue. While it does enrich the balance sheets for the quarter, these markets are often not sustained resulting in lower revenues in the following quarter, which can be misleading and harmful to shareholder's image of the company's financial outlook.

Although there are a number of competitors in the industry, Hasbro is the second largest company, and fortunately the two companies have slightly different market niches. While Mattel is the premier manufacturer of dolls and accessories, Hasbro is primarily focused on the board games. The two toy giants are both in fierce competition in certain market niches, particularly very young age groups, "as Hasbro's Playskool goes after the same younger audience as Mattel's Fischer-Price division" (WikiInvest.com). While Mattel has a solid foundation in their market niche of dolls and other toy products, the toy industry is increasingly becoming more technology oriented. The toy industry is not what it has been in since Mattel went public in 1960, and recently new challenges have taken root, such as: the KGOY phenomenon (Kids Getting Older Younger), where kids have stopped playing with traditional toys at younger ages, a result attributed to the increasingly popularity of video games; and a change in the distribution channels because of the internet (Toy Markets In the World, 12).

Mattel, along with Hasbro, and practically all the major players in the toy industry, have production mainly out of the U.S. Most production takes place in China, Indonesia, Malaysia, Taiwan, and Mexico. It is safe to assume that any toy company not outsourcing for the cheaper labor costs is not a major player in the industry, and poses no real current threats to giants such as Mattel, Hasbro, Bandai, etc. In recent, controversy has arisen in high amounts of lead paints found in toys produced in China, resulting in recalls from around the world. In all fairness, it is a

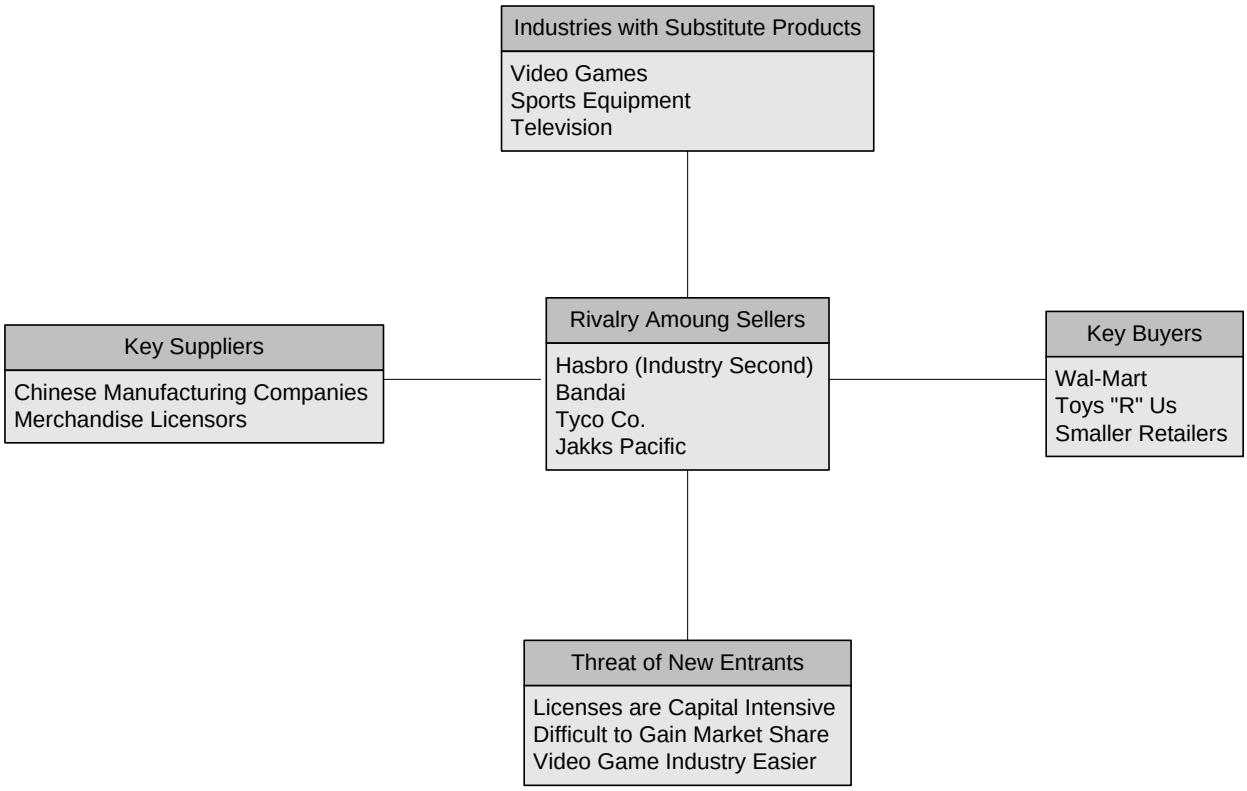
problem within the toy industry and not just Mattel; nevertheless, an accounted 18 million Mattel toys have been recalled within the past year (Mattel Recalls Millions, 2007).

With enormous popularity and global use of the internet, and the prevalence of people turning to E-Commerce websites for their shopping, Mattel and the rest of the toy industry can expect to find this market to be on the forefront of their agenda. With the previous assertion that Mattel would like to cut out more of the middlemen in its U.S. markets, and developing a closer link/relationship with their customers, the internet and E-Commerce can be seen as an extremely viable option with low start up costs, allowing for proto-type services. In addition to the internet technologies, the toy industry in general has much to gain from use of software, helping to track large quantities of materials and more notably, finished product inventories, often a huge factor in marketing and sales for toy manufacturers. This is even more important with toy companies like Mattel, whose major business is selling to retailers where toys are directly offloaded to the general public. With these ideas, information systems and technology holds a vital role in how business is conducted.

COMPETITION

In order to further analyze the toy industry, we will employ a model called the Porter's Five Forces Model. Using this tool, we can see how firm Mattel's footing is in regards to five key areas, shown in the chart below.

PORTER FIVE FORCES MODEL OF COMPETITION:



RIVALRY AMONG COMPETING SELLERS:

Mattel's core toy business competes mainly with the domestic company Hasbro, which is second in the industry, (Hoovers, 2008) foreign companies such as the Japanese giants Bandai and Tyco Co., as well as smaller, but still notable companies like Jakks Pacific.

Mattel's card and board game products compete almost exclusively with Hasbro's industry-leading Parker Brothers and Milton Bradley brands and the independent Pressman Toys.

Mattel's Fisher-Price brand, which focuses on products for toddlers, competes heavily with Hasbro's Playskool brand, and the independent Little Tikes Company.

Mattel's Radica Games brand, which primarily makes handheld electronic games, competes directly with Hasbro's Tiger Electronics brand, as well as indirectly with handheld video game systems from Nintendo and Sony.

Finally, there are a number of toy companies which compete directly with Mattel, but make only products for which Mattel does not have a direct competition. These include building kit companies like LEGO and sports equipment companies like Riddell.

While this may seem like a lot of companies, the diversity of the products keeps competition down. Each section of the industry has only a few major players. Further, since the products they sell are usually fairly cheap and very diverse (from a consumer standpoint), it is common for consumers to buy toys from multiple brands.

Fixed costs are fairly high, as maintaining and operating the plants can be considered to be notably more expensive than the plastics used in the creation of the toys. On Mattel's filings every year, plant and equipment assets outweighed inventory assets by at least 20%. However, the low inventory assets may be a result of frequently shifting inventory (and the burden of storing it) to the distributors.

THREAT OF SUBSTITUTES:

On a fundamental level, Mattel's products are all focused on children's entertainment. Therefore, we can classify substitute products as any competing industry which specializes in children's entertainment. As of today, the biggest competition comes from the video game industry.

The video game industry continues to have record sales years, and 2007 was no exception. The NPD group reports that domestically, nearly $18 billion worth of video games and systems were sold last year, including almost 6.3 million units of the wildly popular Nintendo Wii, well-known for its all-ages catalog of games.

As far as software is concerned, Wii Play sold over 4.1 million units, Super Mario Galaxy sold over 2.5 million, and Mario Party 8 sold over 1.8 million units, coming in at #2, 5, and 10 on the yearly sales chart, respectively. (Brightman, 2008) Combined with the fact that the Wii system itself ships with the Wii Sports title, and we have a fairly concrete idea that titles geared towards children, especially those by Nintendo, are doing quite well.

There are other industries competing for children's entertainment, notably television and sports. However, television service is usually a monthly fee, standard to most American homes. Sports equipment is fairly cheap and lasts for a long time, meaning neither seriously impact the demand for toys. Comic books might cut into toy profits, were they still popular among children, but in recent years they have become too expensive and targeted more to collectors and enthusiasts. Our research indicates that video games are the only serious drain on the demand for toys.

BARGAINING POWER OF CUSTOMERS:

In the toy industry, there are only a few major buyers. The largest distributor of toys in the United States is Wal-Mart, the world's largest public corporation. Wal-Mart sells many different kinds of products, ranging from gardening supplies to televisions to groceries, but they also sell the most toys of any American company.

The second largest is the toy-specializing company Toys “R” Us. They are the largest American company which sells primarily toys, making over $11 billion last year. While they also sell video games and related products, their main business remains toys. (Weiskott, 2004)

There are also a few notable smaller retailers, including the nearly gone K•B Toys, Amazon.com, and any number of smaller specialty toy chains.

However, most, if not all, of the bargaining power lies in the hands of Wal-Mart and Toys “R” Us. The former because it is such a tremendous company that it can demand very limiting terms of its suppliers, which the suppliers will comply with for fear of being shut out of such a huge market. The market power of Toys “R” Us is less than that of Wal-Mart, if only because Toys “R” Us and the big toy makers have a symbiotic relationship. Toys “R” Us cannot survive without the continued business of the toy companies, and the toy companies cannot sell their smaller or more obscure brands without dedicated toy stores like Toys “R” Us.

The strongest threat to Mattel undoubtedly comes from Wal-Mart. Even putting aside its huge presence in the marketplace and aggressive terms, Wal-Mart could easily purchase a

company the size of Mattel if it were properly motivated. While this is both unnecessary and unlikely, it is not outside the range of possible future outcomes for the Mattel Corporation.

BARGAINING POWER OF SUPPLIERS:

The majority of Mattel's suppliers are Chinese businesses who produce toys for any number of American and foreign toy companies. These businesses have essentially no power whatsoever. In the event that something goes wrong, such as the recent waves of product recalls, the factories simply dissolve and reform under another name. While this business model may seem strange to Americans, it is very commonplace in China. (Hessler, 2007)

This practice is a double-edged sword for the businesses which employ it, and the American companies which contract with these businesses. For the American companies, the benefit is a nearly limitless supply of factories willing to produce their goods for very little money. The problem is that there is no accountability. Even if the business you were buying from closes down, there is a very good chance that the next one will be just as bad. For the Chinese, the problem is reversed. There is a steady supply of work which pays for living expenses, but the high willingness of businesses to dissolve means that there is no opportunity to request better working conditions or wages. As long as labor standards in China remain as they are, there does not seem to be any opportunity for Mattel's material suppliers to gain bargaining power.

However, there is another type of supplier that is essential for a toy company: licensing. Mattel makes toys for the popular Batman, Naruto, and Simpsons brands, as well as many others. These toy lines are very important to Mattel, and could easily be taken to another company,

especially Hasbro. It is essential to maintain these relationships in the face of product recalls and other negative publicity.

THREAT OF NEW ENTRANTS:

The threat of new entrants in the toy industry is minimal. There are high startup costs associated with setting up relationships with manufacturers and licensors. This is compounded by low profitability in recent years and name brand recognition of the established players. However, it is by no means impossible to enter the toy market. Jakks Pacific is a major player, yet it was founded only thirteen years ago. (JAKKS Pacific, Inc. , 2006) But it still has nowhere near the market share or name recognition of Mattel or Hasbro.

The fundamental problem is that the video game market is much more tempting. It is much easier to start up a small game company, and the profit margins are more favorable to a small company. While there have only been a couple major new entrants into the toy industry in the last decade, there have been dozens of new video game companies, many of which have become successful or merged with a larger company. Combining the appeal of the game industry and the problems of the toy industry, there is very little threat of new entrants.

COMPANY ANALYSIS

COMPANY HISTORY

Mattel Inc. was started in 1945 by Ruth and Elliot Handler and Harold "Matt" Matson in their Southern California garage workshop. Initially selling picture frames, they eventually turned Elliot's side-job of making dollhouse accessories into a full-time toy business. The company was incorporated in 1948.

In 1955, Mattel began advertising through the "Mickey Mouse Club" television show. This was a revolutionary new way to market toys gave massive exposure to their toy products. Using her daughter's fascination with paper dolls, in 1959 Ruth Handler developed a new three-dimensional doll for little girls to play with. She named it "Barbie", and quickly became the most popular doll of all time, and putting Mattel on the map. Throughout the years Mattel has introduced many more highly successful brands such as Ken® doll, Hot Wheels®, View-Master®, and Tickle Me Elmo, among others.

The company went public in 1960 and began trading on the New York Stock Exchange and Pacific Coast Stock Exchange in 1963. With sales topping $100 million, Mattel Inc. made the Fortune 500 list for the first time in 1965.

Mattel has made many acquisitions in its history, beginning in 1968 with its purchase of Monogram Models. Over the next decade it also acquired Metaframe, Turco, Ringling Brothers and Barnum & Bailey Circus, Circus World theme park, Western Publishing Company, and Radnitz/Mattel Productions. It also acquired ARCO Industries is 1986, Corolle S.A. in 1988,

Corgi Toys in 1989, Aviva Sports Inc. in 1991, International Games Inc. in 1992, Kransco and J.W. Spears & Sons in 1994, and Pleasant Company in 1998, known for the American Girl® brand. In addition the acquisitions, Mattel has also had several major mergers, namely Fisher-Price and Tyco Toys.

The acquisition of the Pleasant Company was considered a milestone for Mattel, because it gave the company ownership of American Girl, which is the second largest girls brand in the world, behind Barbie. The combination of these brands gave Mattel dominance over the entire market for girls aged three through twelve. (Mattel Inc., 2001)

In 2007, Mattel gained media attention due to several lawsuits and major product recalls. Toys manufactured with paint containing high levels of lead caused a recall of nearly 1 million Chinese made products (Mattel Inc., 2007). Just over two weeks later, Mattel issued a recall of 18 million products due to magnets that can detach and be harmful if digested. Mattel responded to these issues by increasing audits and testing of all products. (Bapuji & Beamish, 2007)

SWOT ANALYSIS

Any industry created is guaranteed to have its high's and low's. Even Mattel, who is the number one toy manufacturer, has had its rough patches. A powerful technique for understanding your company's Strengths and Weaknesses, and for looking at the Opportunities and Threats is using SWOT Analysis. When used in the business context, it helps you carve a sustainable niche in your market. When using the SWOT framework, a company will be able to evaluate itself from its competitors. Even when Mattel went through its two large toy recalls in 2007, it was still able to get back on the market by evaluating the weaknesses created. Therefore, compiling opportunities to attempt to get back from when it was safely on top of the toy market.

STRENGTHS	WEAKNESSES
➢ Strategy ➢ Brand Recognition	➢ Safety ➢ Barbie Popularity
OPPORTUNITIES	**THREATS**
➢ Safe Practices ➢ Brand Recovery	➢ Loss of Customers ➢ Competition

STRENGTHS:

Mattel has designed manufactured, marketed and distributed toys from 1945 such as the "birdy bank", "make-believe makeup set", the "Uke-A-Doodle" and the famous "Barbie". Mattel's management has six key company strategies which brought upon profitability:

- Improve execution of the existing toy business
- Globalize the brands
- Extend the brands into new areas
- Catch new trends, create new brands and enter new categories
- Develop people
- Improve productivity, simplify processes and maintain customer service levels

Mattel's portfolio of brands includes Mattel's Girls & Boy's Brands, Fisher-Price Brands, and American Girl Brands. In October 10, 2005, Mattel created the "Mattel Brands" division, which consolidated its Girl's & Boy's Brands and Fisher-Price Brands in hopes to further leverage sales. Mattel is comprised of two segments; domestic and international. The domestic segment includes Girls & Boy's Brands, Fisher-Price Brands, and American Girl Brands. Mattel's international segment is the same as its domestic minus the American Girl Brand, although they have either developed or adapted products in certain regions such as Europe, Latin America and Asia Pacific to further sales. (Mattel, Inc., 2006)

WEAKNESSES:

Safety has become a huge concern among parents. In 2007 Mattel has gone through numerous recalls which have hurt the brand to a large degree. Its first recall of 1.5 million toys in early August of 2007 led stocks to decrease seven percent. After approximately two weeks, their second recall caused a 20 percent decline in stock. Mattel announced 18 million recalls in the domestic segment because of lead paint on various toys and tiny magnets, specifically in Polly Pockets.

Since Barbie was introduced in 1959 it has been one of the top selling toys created, but for the first time in 2002 it was not in the top 5 selling dolls. Between 2002 and 2006, Barbie products have slowly been declining in sales. This is mainly do to the fact that children have slowly become more fascinated by technology and new dolls such as Bratz. The reason for this is because Bratz dolls are comprised of different nationalities and have greater body proportions. (InvestorGuide.com, 2008)

OPPORTUNITIES:

Due to the constant recalls experienced, Jim Walter, Mattel's senior vice president of Worldwide Quality Assurance has created a three-point check system for safe practices:

1. Only paint from certified suppliers can be used and requiring every single batch of paint at every single vendor to be tested
2. Tightening controls throughout the production process at vendor facilities and increasing unannounced random inspections
3. Testing every production run of finished toys to ensure compliance before they reach customers

(Environmental Leader, 2007)

One of the most important factors for Mattel to achieve is brand recovery. Concentrating more on returning its firm to profitability than on seeking huge new blockbuster toys that would greatly increase revenues would be the best thing for Mattel to do.

THREATS:

Mattel has had various recalls of toys being imported from China, some of which include Barbie, Polly Pocket and various Fisher-Price toys. The magnets in various toys, specifically Polly Pocket, have caused one death along with 19 other harmed children who needed surgery from swallowing magnets. The two recalls regarding the lead paint on Barbie dolls and Hot Wheels cars were of great concern, causing Mattel stocks to dramatically fall. Before the recalls and potential loss of customers, Mattel began an advertising campaign to reassure its customers of product safety. Although Mattel made a campaign of product safety, the fact that consumers know that 65% of the toys made come from China is not enough assurance – especially when Mattel blames China for the lead paint in the toys. (Barboza & Story, 2007)

Competition has become a major threat to Mattel in regards to children favoring technological toys rather than the basic toys which has made Mattel the leading toy manufacturer for so many years. With companies such as Leapfrog distributing more advanced toys, which are technology-based and educational, Mattel was in jeopardy. Although Mattel had already attempted to enter the technological realm without success, it is still continuing by creating websites to accompany their toys. (Suria, 2006)

FINANCIAL ANALYSIS

Income

(In thousands)	2007	2006	2005
Net Sales	$ 5,970,090	$ 5,650,156	$ 5,179,016
Gross Profit	$ 2,777,300	$ 2,611,793	$ 2,372,868
Operating Income	$ 730,078	$ 728,818	$ 664,529
Net Income	$ 599,993	$ 592,927	$ 417,019

Balance Sheet

(In thousands)	2007	2006	2005
Total Currrent Assets	$ 2,592,936	$ 2,850,138	$ 2,412,500
Total Assets	$ 4,805,455	$ 4,955,884	$ 4,372,313
Total Current Liabilities	$ 1,570,429	$ 1,582,520	$ 1,463,185
Total Liabilities	$ 2,498,713	$ 2,522,910	$ 2,270,580
Total Equity	$ 2,306,742	$ 2,432,974	$ 2,101,733

Cash Flow

(In thousands)	2007	2006	$2,005
Net Income	$ 599,993	$ 592,927	$ 417,019
Cash from Operations	$ 560,532	$ 875,946	$ 466,677
Cash from Investing	$ (285,290)	$ (314,784)	$ (82,191)
Cash from Financing	$ (587,765)	$ (374,120)	$ (537,317)
Net Change in Cash	$ (304,404)	$ 207,818	$ (159,101)

Statistics and Ratios

-	2007	2006	2005
Net Profit Margin	10.05%	10.49%	8.05%
Operating Margin	12.23%	12.90%	12.83%
EBITD Margin	11.78%	12.10%	12.59%
Return on Assets	12.49%	11.96%	9.54%
Return on Equity	26.01%	24.37%	19.84%

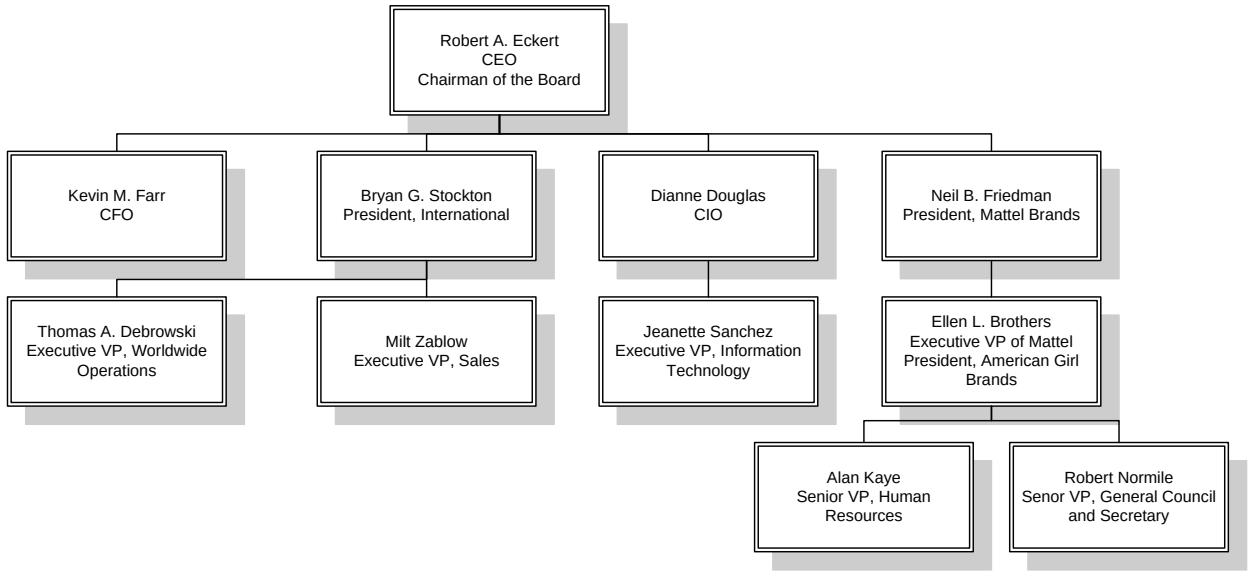
(U.S. Securities and Exchange Commission, 2007)

Sales have been steadily increasing year to year, although 2007 showed much a much smaller percentage change than previous years. Between 2006 and 2007 the net profit margin has hovered around 10% which, while relatively low, is still is consistent profit and should easily support a large corporate improvement project such as ERP. The balance sheet shows that Mattel is in very good shape in terms of equity, with total assets being double total liabilities. Cash flow in 2007, however wasn't so positive. In what can most likely be accredited to the recalls and lawsuits that occurred in that year, 2007 showed a *negative* change in cash of $304,404, compared to an increase in cash of $207,818 in 2006. The common statics are consistently positive, although not extremely high.

ORGANIZATIONAL STRUCTURE

Mattel has a leadership team consisting of twelve key individuals. At the top is the Chief Executive Officer and Chairman of the Board, Robert Eckert. Next in line is the Chief Financial Officer, Kevin Farr and Chief Information Officer, Dianne Douglas. They are followed by three Presidents: Bryan Stockton for International Operations, Neil Friedman for Mattel Brands, and Ellen Brothers for American Girl brands. Ellen is also the Executive Vice President of Mattel, along with the Executive Vice President for Worldwide Operations Thomas Debrowski, Executive Vice President for Sales Milt Zablow, and Executive Vice President for Information Technology Jeanette Sanchez. The final tier consists of two Senior Vice Presidents: Alan Keye for Human Resources and Robert Normile for General Counsel and Secretary. (Mattel Inc., 2008) (Spoke, 2008)

ORGANIZATIONAL CHART



TEAM MEMBER DETAILS

Robert Eckert (CEO/Chairman) joined Mattel in 2000 after being with Kraft Foods for 23 years, most recently holding the position of CEO and President since 1997.

Kevin Farr (CFO) is responsible for the company's worldwide financial functions, as well as strategic planning, investor relations, corporate communications, consumer affairs and customs administration. He joined Mattel in 1991 and has held many increasingly responsible positions within the company prior to being named Chief Financial Officer in 2000.

Neil Friedman (President, Mattel brands) is responsible for many major brands including Barbie®, Hot Wheels®, Fisher-Price®, Batman, Dora the Explorer™, and Sesame Street®. He first jointed Mattel in 1997 as a result of the Tyco Toys merger. He was the president of Fisher-Price brands until the division merged with Mattel brands in 2005, when he became president of the new combined organization.

Bryan Stockton (President, International), like Eckert, previously held a variety of positions at Kraft Foods. He joined Mattel in 2000 as Executive Vice President of Business Planning and Development, until he became Executive Vice President of International 2003. In November 2007, Stockton was promoted to his current position of President of International for Mattel.

Ellen Brothers (Executive Vice President, Mattel and President, American Girl brands) was part of the pre-merger American Girl team, joining the company is 1995. When Mattel acquired the American Girl brand in 1998, Brothers was named Senior Vice President of Operations and Senior Vice President of Mattel. She is currently a member of Mattel's management committee

and is responsible for the strategic vision, and day-to-day operations of the company. This includes direct marketing, experiential retail, and publishing channels.

Thomas Debrowski (Executive Vice President, Worldwide Operations) was another Kraft Foods employee, and was there for twenty years before taking a senior vice president position at The Pillsbury Company for nine years. His resume includes extensive experience in overseas operations in Europe and Asia. His responsibilities at Mattel include ensuring the efficiency and quality of all worldwide manufacturing, logistics and supply chain activities.

Alan Kaye (Senior Vice President, Human Resources) has the responsibility of overseeing HR activities for the 25,000 employee, multinational company. He has more than 25 years of HR experience at companies such as Kaufman and Broad, Columbia Savings, and IBM. He joined Mattel in 1997.

Robert "Bob" Normile (Senior Vice President, General Counsel and Secretary) is responsible for Mattel's legal matters such as acquisitions, financings, SEC reporting, corporate governance, intellectual property, litigation and regulatory matters. He came to Mattel in 1992 initially as assistant general counsel, followed by several promotions over the next several years. He was given his current job title in 1999. (Mattel Inc., 2008)

KEY EXECUTIVES IN ERP IMPLEMENTATION

- CEO, Bob Eckert
    - As CEO, Mr. Eckert will have the final signoff privilege for the entire project. Communication with him will be imperative throughout all milestones to ensure his continued confidence and support of the project
- CFO, Kevin Farr
    - Mr. Farr will be responsible for granting funds to complete the project. Since an ERP rollout is a significant investment, it is extremely important to demonstrate that the financial benefits will outweigh the costs.
- CIO, Dianne Douglas
    - Ms. Douglas will be a major factor in the ERP project and will have the most direct communication with the project team. She will oversee the entire project and ensure that it is on course to be a benefit to Mattel. Major changes to the scope and timeframe will require her approval, as well as signoffs at each scheduled milestone.
- VP of IT, Jeanette Sanchez
    - While Douglas will be the final voice in major decisions for the project, Ms. Sanchez will have more direct communication with the project managers. She will ensure that each team is on track and is maintaining consistency with the

project as a whole. She will relay her findings to Dianne Douglas as the project progresses.

- Exec. VP of Sales, Milt Zablow
    - Mr. Zablow will be involved in the ERP project from the standpoint that his operations will be directly influenced by the new system. He will aid in the customization process to ensure that operations remain smooth throughout the transition.

ENTERPRISE RESOURCE PLANNING PROPOSAL

INTRODUCTION

With evidence obtained from our analysis of Mattel's structure, operations, financials, and industry, our team has agreed that an Enterprise Resource Planning (ERP) system should be implemented throughout Mattel's North American Operations. The following pages will indicate, empirically, the economic and operational viability of such a system, as well as the scope of the implementation.

BENEFICIARIES (FUNCTIONAL BUSINESS AREAS)

- Accounting
    - The accounting department of Mattel will benefit greatly from the use of an ERP system. Enhancements in the ability to generate reports – internal and external – is extremely helpful to them in administering and monitoring the accountancy of the company and keeping up with required filings as a publicly traded corporation. It will improve Accounts Receivable by providing a centralized system to automatically keep track of the accounts, as well as the ability to quickly generate statements and other documents. Accounts Payable will be improved in a similar fashion, by allowing fast input of invoices (both manually and via EDI), and payments to vendors to be quickly processed and posted. Communication with other functional areas of the company will be drastically improved due to the centralized nature of the ERP system, allowing fast and

efficient intercommunication between all departments.

  - By continuing to use an unintegrated system, there is much more reliance on paper-based communications, which by nature can be slow and error-prone.

- Warehousing

  - Warehousing within Mattel will be notable more efficient with ERP, while also reducing operational costs. Ordering and inventory management will become more precise by utilizing the reporting tools built into the module, resulting in less out-of-stock items as well as less overstock. The latter may allow a reduction in overhead costs by reducing the number of active warehouses. Freight costs may also be reduced by ordering less and keeping inventory at the warehouse closest to its destination customer. Additionally, specific weights can be stored in the database for each SKU which will prevent accidental overpayment of shipping fees.

  - Without ERP, the unintegrated system would have a much higher likelihood of ordering too much or too little of each item, and/or storing the items in warehouses farther away from the intended customer than necessary. These issues cause increased overhead, shipping, and inventory depreciation costs compared to a more efficient integrated ERP system.

- Sales and Distribution
    - ERP will enhance communications between Mattel and its dealers. The centralized system will enable the company to keep close track of orders, and easily track them whenever there is a request to do so. Mattel will be able to automatically generate Purchase Orders and Invoices as needed, and retrieve them at any time from any location. If Mattel chooses to offer an EDI system in conjunction with the proposed ERP solution, administration costs and errors will be reduced as well.
    - An unintegrated system increases the possibility of miscommunication between Sales and Distribution and other functional areas of the company, as well as with the company's clients. Processing orders submitted via paper or verbal systems introduce human errors that can reduce efficiency and customer satisfaction.
- Manufacturing
    - Similar to the benefits of Sales and Distribution, ERP will benefit manufacturing by promoting efficient communication between Mattel and its contracted manufacturers throughout the world. Tracking of products ordered, in-transit, and received will be improved and communication errors will be reduced. Production cycles will be faster due to integrated order processing and fulfillment methods.

- Human Resources
    - Human Resources will benefit from an ERP implementation by making it easier for them to ensure enterprise-wide regulatory compliance. This is due to the fact that all facets of the company are centrally located and accessible, as well as the ability to electronically connect to regulatory agencies using the Internet and EDI services. The centralized database can also allow the department to keep track of complaints and other filings in a highly organized fashion.
- An unintegrated system would require HR to physically check many aspects of the company that can be examined electronically with ERP. Retrieving filings and checking compliance would require much more time and resources to accomplish. (Nash, 2007)

PROPOSED ERP SYSTEM AND MODULES

We have decided to use the popular SAP R/3 system due to its availability, proven record, and scalable modular architecture. In addition, we have chosen a number of modules for the R/3 system which we believe will best fit Mattel's needs:

- The **FI (Financial Accounting)** module handles accounts payable and receivable, the general ledger, and many other accounting procedures in a chart of accounts. This is essential for a company of Mattel's size, as it keeps finances and documentation standard between many physical locations.

- The **CO (Controlling)** module monitors cost and revenue flows in realtime, making it much easier to time and plan major management decisions, such as large purchase orders and new product roll-outs.

- The **AM (Asset Management)** module helps track accounting for major fixed assets, such as plants, office buildings, and other large equipment. As Mattel claims a substantial amount of fixed assets, this module should prove useful.

- The **HR (Human Resources)** module helps in planning and controlling nearly all aspects of human resources, which is essential for any corporation which employs as many people as Mattel does.

- The **MM (Materials Management)** module is essential for companies which procure and handle large amounts of inventory. This module specializes in efficient reordering and maximizing use of storage. The WM (Warehouse Management) module works with the MM

module, allowing for more detailed control of warehousing and inventory. Similarly, the HUM (Handling Unit Management) module works with the MM module to define a pallet ID for each unit in stock.

- The **QM (Quality Management)** module helps control processes related to product quality, including testing equipment management, inspection, and complaint management. This module is mandatory in the wake of Mattel's recent product recalls and lawsuits.

- The **SD (Sales and Distribution)** module handles many tasks relating to the actual sale of products, including creating quotes and orders, and processing billing and delivery. This creates a standardized system of ordering, increasing efficiency greatly over a non-standardized system.

- Finally, the **SRM (Supplier Relationship Management)** module helps monitor the performance of and manage contracts with a company's suppliers. Mattel may find this useful for choosing which supplier to contract with on particular projects.

TIME AND COST ESTIMATES

In order to properly secure resources for implementation of this proposal, cost and time estimates have been generated by comparing industry averages and comparing similar projects from corporations of similar size. These are estimates, and are subject to change as the project progresses. Detailed information will be specified in each module rollout plan.

Time

Based on average ERP rollout times from corporations with similar employee and revenue numbers, we estimate that it will take approximately 24 months to complete the implementation from proposition to "Live" status.

Cost

A highly-simplified itemized list has been created to provide a general estimate of the cost associated with this ERP implementation:

Item	Description	Cost
Software	SAP ERP (formerly known as R/3) and chosen modules. Various other minor software applications are included in this cost as support for the servers and other hardware.	$ 12,000,000
Hardware	Servers, workstations, networking hardware, and other components required to facilitate the physical installation and operation of the ERP system.	$ 3,000,000
Installation	Various installation costs including contractor fees, consultant fees, and vendor fees.	$ 3,000,000
Support	External support costs from SAP. This includes consulting and recurring support for installation and operation.	$ 7,000,000
Personnel	Training costs for all employees, as well as cost of new hires to increase IT staff.	$ 10,000,000
Maintenance	Cost of upkeep and operations.	$ 5,000,000
Total		**$ 40,000,000**

COST-BENEFIT ANALYSIS

The ERP system is predicted to cost $40 million to develop and implement, and an estimated $5 million per year maintenance. Mattel increased net income by 1.2% between 2006 and 2007. By increasing operational efficiency, it can be conservatively estimated that the annual increase in net income can be increased to 5%, with 4% being directly attributed to the ERP system.

In 2007, Mattel earned approximately $600 million in net income. A 5% increase would amount to an additional $30 million in the first year. Please examine the following chart:

Year	Increase in Net Income	Recurring ERP Cost	Initial ERP Cost Remaining
0	$ -	$ -	$ (40,000,000)
1	$ 30,000,000	$ (5,000,000)	$ (15,000,000)
2	$ 31,500,000	$ (5,000,000)	$ 11,500,000

The ERP system will pay for itself in less than two years. By the end of year 2, you can see that the company will have already made a profit of $11.5 million due to the revenue increases attributed to ERP.

SALES AND DISTRIBUTION MODULE ROLL OUT

STAKEHOLDERS	DOCUMENT NAME	DOCUMENT FORMAT	CONTACT PERSON	DUE DATE
CEO	Quarterly Report	Hardcopy/Email	Robert Eckert	Beginning of Quarter
CIO	Monthly Status Report	Hardcopy/Email	Dianne Douglas	Beginning of Month
Project Manager	Monthly Status Report	Hardcopy/Email	Thomas Pearson	Beginning of Month
Deputy Project Manager	Monthly Status Report	Email	James Austin	Beginning of Month
Technical Manager	Monthly Status Report	Email	Cameron Rafifar	Beginning of Month
Supply Chain Manager	Monthly Status Report	Email	Michelle Thomas	Beginning of Month
Shareholder	Quarterly Report	Hardcopy/Website	Shareholders	Beginning of Quarter
Customer Management	Monthly Status Report	Hardcopy/Email	Bob Jackson	Beginning of Month
Managerial Staff	Monthly Status Report	Email	Jack Bob	Beginning of Month
Non-Managerial Staff	Quarterly Report	Email	Employees	Beginning of Quarter

PROJECT CHARTER

Project Title: Sales and Distribution Module Implementation

Project Start Date: July 1, 2009 Projected Finish Date: June 30, 2011

Project Manager: Thomas Pearson, (805) 300-1337, thomas.e.pearson@gmail.com

Project Objectives: Plan, install, and integrate the SAP R/3 SD module. This process includes coordinated planning with the involved departments, hardware roll-out, software installation and configuration, training, and finally transition. Hardware and software costs are budgeted at $11.3 million and labor is budgeted at $6 million.

Approach:

- Discuss necessary processes with all stakeholder departments.
- Plan customization of SD module.
- Purchase and install hardware and software.
- Implement customization, beta test with employees, adapt based on feedback.
- Finalize implementation, train and transition employees to new methods.

Roles and Responsibilities

Name:	*Role:*	*Responsibility:*
Robert Eckert	CEO	Final approval, oversight
Kevin Farr	CFO	Financial approval, oversight
Diane Douglas	CIO	Project oversight, scope control
Thomas Pearson	Project Manager	Project control, Communication
Milt Zablow	VP of Sales	Scope control, customization

Sign-off:

Comments:

SCOPE STATEMENT

Project Title: ***Sales and Distribution Module Implementation***

Date: April 28, 2008

Prepared by: Thomas Pearson, Project Manager, (805) 300-1337,

thomas.e.pearson@gmail.com

PROJECT JUSTIFICATION:

Our project team proposed adding the SD module to the company's ERP in order to simplify and centralize customer account management, order contract management, pricing procedures, and billing. If implemented, this module will substantially reduce work hours necessary to perform all of these tasks by creating a set of standard procedures and forms which are simple to follow and based on years of company experience. Further, it will keep a universal database of all sales and distribution related documentation, preventing many potentially costly errors. The hardware costs are estimated to be approximately $8.3 million, the software costs are estimated to be $3 million, and the labor required (including training costs) is expected to be about $5.9 million. We believe that, with proper implementation, we can reconcile these costs within three to five years.

PROJECT CHARACTERISTICS AND DELIVERABLES:

The SD module must completely integrate all aspects of sales and distribution, especially customer accounts, pricing procedures, rush ordering, contract processing, and billing. Further, it

must be able to do all of these functions in their entirety at every location, while maintaining a common database. In order to achieve this, we will need a central server containing this database which is always securely accessible to our workstations as well as the other implemented ERP modules. We will attach a proposal for the hardware and software necessary for approval by the department heads.

PROJECT CHARACTERISTICS:

1. *Customer Accounts:* The SD module must either be able to access the customer records from a CRM system or be able to manage customer accounts independently. In either case, these records must be available only to users with appropriate permissions, in order to maintain security.

2. *Pricing Procedures:* The SD module must be able to define, manage and appropriately apply various pricing brackets based on customer loyalty, order size, rush processing, and any number of additional factors. Configuring pricing conditions and procedures will be a top priority for this project. Our team will work closely with the ordering department when configuring this feature.

3. *Rush Ordering:* The SD module must have well-defined standards for processing and executing rush orders, should the need arise. Again, this will require input and feedback from the ordering department in order to define these policies and ensure that they work as specified.

4. *Contract Processing:* The SD module must be customized in order to generate various types of contracts based on existing contract templates. If implemented correctly, the data entered into the module's contract system should be backwards compatible with older contracts,

and vice versa. This can be achieved without direct input from the ordering department, but we recommend that they have final oversight.

5. *Billing:* The SD module must integrate with the accounting module in order to pass critical financial data in realtime. Up-to-date finances are a critical component of any ERP system, and the SD module's contract data is certainly a key input.

6. *Accessibility:* All of the above data must be viewable and editable from any terminal, so long as the user has authentication from a relevant department. Further, the data should be easy to summarize, visualize, and export for viewing by key decision makers. Stakeholders rightfully expect that all data in the ERP is theirs to use as they like, so easy to use, efficient data summary and visualization tools are key.

7. *Security:* All of the above data must be viewable and editable only by authenticated users over a secure connection. Data security is absolutely critical. Mattel may be a public corporation, but data privacy and integrity are always an issue. A leak could easily turn into a major issue with investors, resulting in lowered stock value and further loss of reputation for the Mattel brand.

PROJECT DELIVERABLES:

1. Survey regarding requirements and suggestions from all potential users of ERP system.

2. Detailed reports on requirements and suggestions from involved department and project heads.

3. Monthly updates regarding potential changes to scope, time or cost, signed off by department heads.

4. Weekly progress reports, signed off by project leads.

5. Fully implemented and functional SD module hardware, software, and networking.

6. Regular employee training status updates and certifications, signed off by department leads.

7. Project completion report, written by project lead, signed off by all major stakeholders.

PROJECT SUCCESS CRITERIA:

This project can only be considered complete when the Mattel Corporation has a fully implemented and functional SAP Sales and Distribution module. This includes server hardware, workstation hardware (as necessary), networking equipment, integrated software, and a sufficient amount of fully trained employees. However, these are only the criteria for completion, not success. In order to be considered successful, the SD module must improve Mattel's efficiency enough to save the company $20 million, the full cost of the project, within five years. The project can only be considered truly worthwhile if this is the case.

WORK BREAKDOWN STRUCTURE

ID	Task Name	Work	Duration	Start	Finish
1	**Initiation**	**288 hrs**	**40 days?**	**Wed 7/1/09**	**Tue 8/25/09**
2	**Team Creation**	**16 hrs**	**5 days?**	**Wed 7/1/09**	**Tue 7/7/09**
5	**Write Proposal**	**64 hrs**	**16 days?**	**Wed 7/8/09**	**Wed 7/29/09**
	Project Manager Hours	*64 hrs*		*Wed 7/8/09*	*Wed 7/29/09*
6	Determine areas for improvement	0 hrs	10 days?	Wed 7/8/09	Tue 7/21/09
7	Determine possible system configs.	0 hrs	10 days?	Wed 7/8/09	Tue 7/21/09
8	Cost/benefit Analysis	0 hrs	6 days?	Wed 7/22/09	Wed 7/29/09
9	**Meet with stakeholders**	**112 hrs**	**7 days?**	**Thu 7/30/09**	**Fri 8/7/09**
	Project Manager Hours	*56 hrs*		*Thu 7/30/09*	*Fri 8/7/09*
	Manager Hours	*56 hrs*		*Thu 7/30/09*	*Fri 8/7/09*
10	Submit proposal	0 hrs	1 day?	Thu 7/30/09	Thu 7/30/09
11	Obtain approval	0 hrs	6 days?	Fri 7/31/09	Fri 8/7/09
12	**Project Charter**	**96 hrs**	**12 days?**	**Mon 8/10/09**	**Tue 8/25/09**
	Project Manager Hours	*96 hrs*		*Mon 8/10/09*	*Tue 8/25/09*
13	Construct Project Charter	0 hrs	6 days?	Mon 8/10/09	Mon 8/17/09
14	Formal stakeholder approval (Signoff)	0 hrs	6 days?	Tue 8/18/09	Tue 8/25/09
15	**Planning**	**1,583.2 hrs**	**150 days?**	**Wed 8/26/09**	**Tue 3/23/10**
16	**Requirements Planning**	**396 hrs**	**33 days?**	**Wed 8/26/09**	**Fri 10/9/09**
	Project Manager Hours	*264 hrs*		*Wed 8/26/09*	*Fri 10/9/09*
	Manager Hours	*132 hrs*		*Wed 8/26/09*	*Fri 10/9/09*
17	Determine Scope	0 hrs	8 days?	Wed 8/26/09	Fri 9/4/09
18	Estimate Timeline	0 hrs	4 days?	Wed 8/26/09	Mon 8/31/09
19	Estimate Cost	0 hrs	8 days?	Wed 8/26/09	Fri 9/4/09
20	Determine Required Technology Resources	0 hrs	13 days?	Wed 8/26/09	Fri 9/11/09
21	Determine Personnel Requirements	0 hrs	13 days?	Wed 8/26/09	Fri 9/11/09
22	Plan Communication with Stakeholders	0 hrs	1 day?	Fri 9/18/09	Fri 9/18/09
23	Risk Management	0 hrs	16 days?	Fri 9/18/09	Fri 10/9/09
24	**System Design**	**1,187.2 hrs**	**106 days?**	**Mon 10/12/09**	**Mon 3/8/10**
	Project Manager Hours	*848 hrs*		*Mon 10/12/09*	*Mon 3/8/10*
	Consultant Hours	*339.2 hrs*		*Mon 10/12/09*	*Mon 3/8/10*
25	Hardware	0 hrs	41 days?	Mon 10/12/09	Mon 12/7/09
26	Software	0 hrs	66 days?	Mon 12/7/09	Mon 3/8/10
27	Finalize Project Plan	0 hrs	11 days?	Tue 3/9/10	Tue 3/23/10

28		**Implementation**	**54,223.2 hrs**	**669 days?**	**Wed 3/24/10**	**Mon 10/15/12**
29		**Requirements Analysis**	**457.6 hrs**	**44 days?**	**Wed 3/24/10**	**Mon 5/24/10**
		Project Manager Hours	*352 hrs*		*Wed 3/24/10*	*Mon 5/24/10*
		Manager Hours	*105.6 hrs*		*Wed 3/24/10*	*Mon 5/24/10*
30		Current System Analysis	0 hrs	11 days?	Wed 3/24/10	Wed 4/7/10
31		Determine Infrastructure Uprgrades	0 hrs	11 days?	Mon 3/29/10	Mon 4/12/10
32		Determine Hardware Requirements	0 hrs	16 days?	Tue 4/13/10	Tue 5/4/10
33		Determine Software Requirements	0 hrs	21 days?	Mon 4/26/10	Mon 5/24/10
34		**Allocate Resources**	**472 hrs**	**59 days?**	**Tue 5/25/10**	**Fri 8/13/10**
		Project Manager Hours	*472 hrs*		*Tue 5/25/10*	*Fri 8/13/10*
35		Bid Pricing	0 hrs	25 days?	Tue 5/25/10	Mon 6/28/10
36		Purchase Required Resources	0 hrs	31 days?	Tue 6/29/10	Tue 8/10/10
37		Receive/Account for Purchased Resources	0 hrs	21 days?	Fri 7/16/10	Fri 8/13/10
38		**Controlled (Test) Implementation**	**49,177.6 hrs**	**226 days?**	**Mon 8/16/10**	**Mon 6/27/11**
		Project Manager Hours	*1,627.2 hrs*		*Mon 8/16/10*	*Mon 6/27/11*
		Manager Hours	*1,808 hrs*		*Mon 8/16/10*	*Mon 6/27/11*
		Technician Hours	*361.6 hrs*		*Mon 8/16/10*	*Mon 6/27/11*
		Employee Hours	*45,200 hrs*		*Mon 8/16/10*	*Mon 6/27/11*
		Consultant Hours	*180.8 hrs*		*Mon 8/16/10*	*Mon 6/27/11*
		Workstations	*100*		*Mon 8/16/10*	*Mon 6/27/11*
		Servers	*1*		*Mon 8/16/10*	*Mon 6/27/11*
		Switches	*1*		*Mon 8/16/10*	*Mon 6/27/11*
39		Select users for test	0 hrs	7 days?	Mon 8/16/10	Tue 8/24/10
40		Run test with simulated data	0 hrs	75 days?	Mon 8/30/10	Fri 12/10/10
41		Obtain feeedback	0 hrs	70 days?	Mon 12/13/10	Fri 3/18/11
42		Make changes as needed	0 hrs	65 days?	Mon 3/21/11	Fri 6/17/11
43		Get Go-Ahead Signoff for Production System	0 hrs	6 days?	Mon 6/20/11	Mon 6/27/11
44		**Enterprise-Wide (Production) Implementation**	**4,116 hrs**	**340 days?**	**Tue 6/28/11**	**Mon 10/15/12**
45		**Physical Implementation**	**0 hrs**	**95 days?**	**Tue 6/28/11**	**Mon 11/7/11**
		Workstations	*6,000*		*Tue 6/28/11*	*Mon 11/7/11*
		Servers	*11*		*Tue 6/28/11*	*Mon 11/7/11*
		Routers	*22*		*Tue 6/28/11*	*Mon 11/7/11*
		Switches	*160*		*Tue 6/28/11*	*Mon 11/7/11*
		Cat 5e (1000ft)	*100*		*Tue 6/28/11*	*Mon 11/7/11*
46		Infrastructure	0 hrs	50 days?	Tue 6/28/11	Mon 9/5/11
47		Servers/Backend Hardware	0 hrs	45 days?	Tue 9/6/11	Mon 11/7/11
48		Workstations/Frontend Hardware	0 hrs	45 days?	Tue 9/6/11	Mon 11/7/11
49		**Software Implementation**	**0 hrs**	**75 days?**	**Tue 11/8/11**	**Mon 2/20/12**
		SAP User License	*10,000*		*Tue 11/8/11*	*Mon 2/20/12*
		SAP Server License	*10*		*Tue 11/8/11*	*Mon 2/20/12*
50		Server-side Software Installation	0 hrs	45 days?	Tue 11/8/11	Mon 1/9/12
51		Client-Side Installation	0 hrs	50 days?	Tue 11/8/11	Mon 1/16/12
52		Initial Configuration	0 hrs	25 days?	Tue 1/17/12	Mon 2/20/12
53		Customization	1,496 hrs	85 days?	Tue 2/21/12	Mon 6/18/12
		Project Manager Hours	*680 hrs*		*Tue 2/21/12*	*Mon 6/18/12*
		Manager Hours	*136 hrs*		*Tue 2/21/12*	*Mon 6/18/12*
		Consultant Hours	*680 hrs*		*Tue 2/21/12*	*Mon 6/18/12*
54		**Incremental Rollout**	**2,580 hrs**	**75 days?**	**Tue 6/19/12**	**Mon 10/1/12**
		Project Manager Hours	*480 hrs*		*Tue 6/19/12*	*Mon 10/1/12*
		Manager Hours	*720 hrs*		*Tue 6/19/12*	*Mon 10/1/12*
		Technician Hours	*1,200 hrs*		*Tue 6/19/12*	*Mon 10/1/12*
		Employee Hours	*30 hrs*		*Tue 6/19/12*	*Mon 10/1/12*
		Consultant Hours	*150 hrs*		*Tue 6/19/12*	*Mon 10/1/12*
55		Deploy to first department	0 hrs	5 days?	Tue 6/19/12	Mon 6/25/12
56		Feedback	0 hrs	5 days?	Tue 6/26/12	Mon 7/2/12
57		Make changes	0 hrs	5 days?	Tue 7/3/12	Mon 7/9/12
58		Repeat	0 hrs	60 days?	Tue 7/10/12	Mon 10/1/12
59		Rollout Completion Report	40 hrs	10 days?	Tue 10/2/12	Mon 10/15/12
		Project Manager Hours	*40 hrs*		*Tue 10/2/12*	*Mon 10/15/12*

60		**Training**	**432,624 hrs**	**445 days?**	**Mon 8/16/10**	**Fri 4/27/12**
61		**Top-level Manager Training**	**920 hrs**	**25 days?**	**Mon 8/16/10**	**Fri 9/17/10**
		Project Manager Hours	*40 hrs*		*Mon 8/16/10*	*Fri 9/17/10*
		Manager Hours	*800 hrs*		*Mon 8/16/10*	*Fri 9/17/10*
		Consultant Hours	*80 hrs*		*Mon 8/16/10*	*Fri 9/17/10*
62		Proficiency Examination	0 hrs	25 days?	Mon 8/16/10	Fri 9/17/10
63		**Middle-Management**	**6,552 hrs**	**65 days?**	**Mon 9/20/10**	**Fri 12/17/10**
		Project Manager Hours	*104 hrs*		*Mon 9/20/10*	*Fri 12/17/10*
		Manager Hours	*6,240 hrs*		*Mon 9/20/10*	*Fri 12/17/10*
		Consultant Hours	*208 hrs*		*Mon 9/20/10*	*Fri 12/17/10*
64		Proficiency Examination	0 hrs	65 days?	Mon 9/20/10	Fri 12/17/10
65		**Employee End-User Training**	**425,152 hrs**	**130 days?**	**Mon 10/31/11**	**Fri 4/27/12**
		Project Manager Hours	*832 hrs*		*Mon 10/31/11*	*Fri 4/27/12*
		Employee Hours	*416,000 hrs*		*Mon 10/31/11*	*Fri 4/27/12*
		Consultant Hours	*8,320 hrs*		*Mon 10/31/11*	*Fri 4/27/12*
66		Proficiency Examination	0 hrs	130 days?	Mon 10/31/11	Fri 4/27/12
67		**Completion**	**201.6 hrs**	**40 days?**	**Mon 4/30/12**	**Fri 6/22/12**
68		Verify Scope Was Met	1.6 hrs	0.17 days?	Mon 4/30/12	Mon 4/30/12
		Project Manager Hours	*1.33 hrs*		*Mon 4/30/12*	*Mon 4/30/12*
		Manager Hours	*0.27 hrs*		*Mon 4/30/12*	*Mon 4/30/12*
69		**End-of-Project Report**	**24 hrs**	**6 days?**	**Mon 4/30/12**	**Tue 5/8/12**
		Project Manager Hours	*24 hrs*		*Mon 4/30/12*	*Tue 5/8/12*
70		Generate Report	0 hrs	5 days?	Mon 4/30/12	Mon 5/7/12
71		Submit to Stakeholders	0 hrs	1 day?	Mon 5/7/12	Tue 5/8/12
72		**Maintenance**	**176 hrs**	**40 days?**	**Mon 4/30/12**	**Fri 6/22/12**
		Project Manager Hours	*128 hrs*		*Mon 4/30/12*	*Fri 6/22/12*
		Manager Hours	*32 hrs*		*Mon 4/30/12*	*Fri 6/22/12*
		Consultant Hours	*16 hrs*		*Mon 4/30/12*	*Fri 6/22/12*
73		Plan Maintenance Requirements	0 hrs	15 days?	Mon 4/30/12	Fri 5/18/12
74		Assign Duties	0 hrs	1 day?	Mon 5/21/12	Mon 5/21/12
75		Hire contractors	0 hrs	25 days?	Mon 5/21/12	Fri 6/22/12
76		Implementation Complete	0 hrs	1 day?	Mon 4/30/12	Mon 4/30/12
77		**Controlling/Maintenance (Long-Term)**	**0 hrs**	**1351 days?**	**Fri 10/28/11**	**Fri 12/30/16**
78		**Post-Implementation Status Review**	**0 hrs**	**1221 days?**	**Fri 10/28/11**	**Fri 7/1/16**
79		**Year 1**	**0 hrs**	**241 days?**	**Fri 10/28/11**	**Fri 9/28/12**
80		Monthly Review Meeting	0 hrs	1 day?	Fri 10/28/11	Fri 10/28/11
81		Monthly Review Meeting	0 hrs	1 day?	Fri 11/25/11	Fri 11/25/11
82		Monthly Review Meeting	0 hrs	1 day?	Fri 12/30/11	Fri 12/30/11
83		Monthly Review Meeting	0 hrs	1 day?	Fri 1/27/12	Fri 1/27/12
84		Monthly Review Meeting	0 hrs	1 day?	Fri 2/24/12	Fri 2/24/12
85		Monthly Review Meeting	0 hrs	1 day?	Fri 3/30/12	Fri 3/30/12
86		Monthly Review Meeting	0 hrs	1 day?	Fri 4/27/12	Fri 4/27/12
87		Monthly Review Meeting	0 hrs	1 day?	Fri 5/25/12	Fri 5/25/12
88		Monthly Review Meeting	0 hrs	1 day?	Fri 6/29/12	Fri 6/29/12
89		Monthly Review Meeting	0 hrs	1 day?	Fri 7/27/12	Fri 7/27/12
90		Monthly Review Meeting	0 hrs	1 day?	Fri 8/31/12	Fri 8/31/12
91		Monthly Review Meeting	0 hrs	1 day?	Fri 9/28/12	Fri 9/28/12
92		**Year 2**	**0 hrs**	**196 days?**	**Tue 1/1/13**	**Tue 10/1/13**
93		Quarterly Review Meeting	0 hrs	1 day?	Tue 1/1/13	Tue 1/1/13
94		Quarterly Review Meeting	0 hrs	1 day?	Mon 4/1/13	Mon 4/1/13
95		Quarterly Review Meeting	0 hrs	1 day?	Mon 7/1/13	Mon 7/1/13
96		Quarterly Review Meeting	0 hrs	1 day?	Tue 10/1/13	Tue 10/1/13
97		**Year 3**	**0 hrs**	**196 days?**	**Wed 1/1/14**	**Wed 10/1/14**
98		Quarterly Review Meeting	0 hrs	1 day?	Wed 1/1/14	Wed 1/1/14
99		Quarterly Review Meeting	0 hrs	1 day?	Tue 4/1/14	Tue 4/1/14
100		Quarterly Review Meeting	0 hrs	1 day?	Tue 7/1/14	Tue 7/1/14
101		Quarterly Review Meeting	0 hrs	1 day?	Wed 10/1/14	Wed 10/1/14
102		**Year 4**	**0 hrs**	**130 days?**	**Thu 1/1/15**	**Wed 7/1/15**
103		Biannual Review Meeting	0 hrs	1 day?	Thu 1/1/15	Thu 1/1/15
104		Biannual Review Meeting	0 hrs	1 day?	Wed 7/1/15	Wed 7/1/15
105		**Year 5**	**0 hrs**	**131 days?**	**Fri 1/1/16**	**Fri 7/1/16**
106		Biannual Review Meeting	0 hrs	1 day?	Fri 1/1/16	Fri 1/1/16
107		Biannual Review Meeting	0 hrs	1 day?	Fri 7/1/16	Fri 7/1/16
108		**Post-Implementation Performance Audit**	**0 hrs**	**1046 days?**	**Fri 12/28/12**	**Fri 12/30/16**
109		Year 1	0 hrs	1 day?	Fri 12/28/12	Fri 12/28/12
110		Year 2	0 hrs	1 day?	Fri 12/27/13	Fri 12/27/13
111		Year 3	0 hrs	1 day?	Fri 12/26/14	Fri 12/26/14
112		Year 4	0 hrs	1 day?	Fri 12/25/15	Fri 12/25/15
113		Year 5	0 hrs	1 day?	Fri 12/30/16	Fri 12/30/16

PROJECT TASKS AND TIME ESTIMATES

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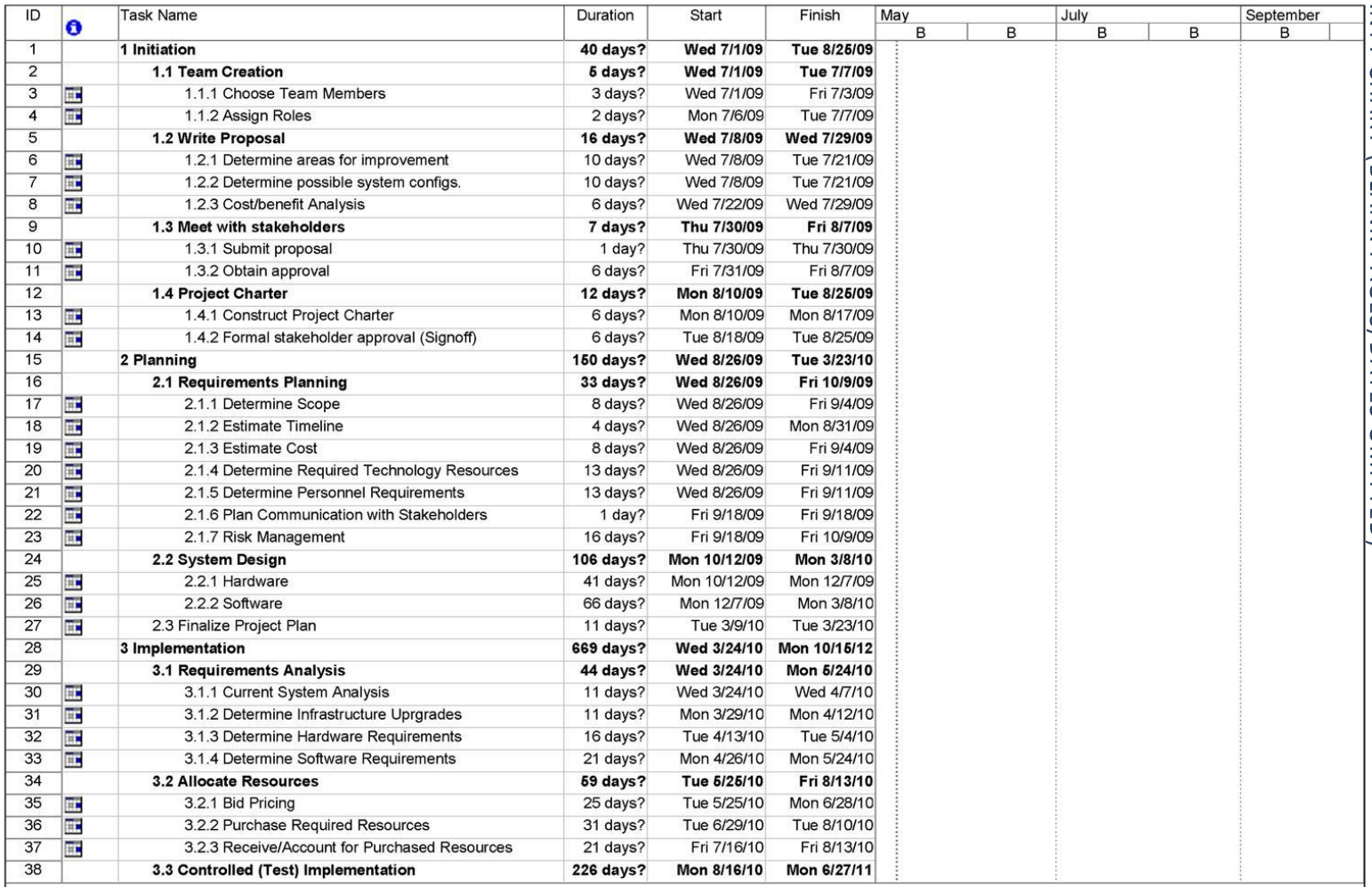
ID	Task Name	Duration	Start	Finish
1	**1 Initiation**	**40 days?**	**Wed 7/1/09**	**Tue 8/25/09**
2	**1.1 Team Creation**	**5 days?**	**Wed 7/1/09**	**Tue 7/7/09**
3	1.1.1 Choose Team Members	3 days?	Wed 7/1/09	Fri 7/3/09
4	1.1.2 Assign Roles	2 days?	Mon 7/6/09	Tue 7/7/09
5	**1.2 Write Proposal**	**16 days?**	**Wed 7/8/09**	**Wed 7/29/09**
6	1.2.1 Determine areas for improvement	10 days?	Wed 7/8/09	Tue 7/21/09
7	1.2.2 Determine possible system configs.	10 days?	Wed 7/8/09	Tue 7/21/09
8	1.2.3 Cost/benefit Analysis	6 days?	Wed 7/22/09	Wed 7/29/09
9	**1.3 Meet with stakeholders**	**7 days?**	**Thu 7/30/09**	**Fri 8/7/09**
10	1.3.1 Submit proposal	1 day?	Thu 7/30/09	Thu 7/30/09
11	1.3.2 Obtain approval	6 days?	Fri 7/31/09	Fri 8/7/09
12	**1.4 Project Charter**	**12 days?**	**Mon 8/10/09**	**Tue 8/25/09**
13	1.4.1 Construct Project Charter	6 days?	Mon 8/10/09	Mon 8/17/09
14	1.4.2 Formal stakeholder approval (Signoff)	6 days?	Tue 8/18/09	Tue 8/25/09
15	**2 Planning**	**150 days?**	**Wed 8/26/09**	**Tue 3/23/10**
16	**2.1 Requirements Planning**	**33 days?**	**Wed 8/26/09**	**Fri 10/9/09**
17	2.1.1 Determine Scope	8 days?	Wed 8/26/09	Fri 9/4/09
18	2.1.2 Estimate Timeline	4 days?	Wed 8/26/09	Mon 8/31/09
19	2.1.3 Estimate Cost	8 days?	Wed 8/26/09	Fri 9/4/09
20	2.1.4 Determine Required Technology Resources	13 days?	Wed 8/26/09	Fri 9/11/09
21	2.1.5 Determine Personnel Requirements	13 days?	Wed 8/26/09	Fri 9/11/09
22	2.1.6 Plan Communication with Stakeholders	1 day?	Fri 9/18/09	Fri 9/18/09
23	2.1.7 Risk Management	16 days?	Fri 9/18/09	Fri 10/9/09
24	**2.2 System Design**	**106 days?**	**Mon 10/12/09**	**Mon 3/8/10**
25	2.2.1 Hardware	41 days?	Mon 10/12/09	Mon 12/7/09
26	2.2.2 Software	66 days?	Mon 12/7/09	Mon 3/8/10
27	2.3 Finalize Project Plan	11 days?	Tue 3/9/10	Tue 3/23/10
28	**3 Implementation**	**669 days?**	**Wed 3/24/10**	**Mon 10/15/12**
29	**3.1 Requirements Analysis**	**44 days?**	**Wed 3/24/10**	**Mon 5/24/10**
30	3.1.1 Current System Analysis	11 days?	Wed 3/24/10	Wed 4/7/10
31	3.1.2 Determine Infrastructure Uprgrades	11 days?	Mon 3/29/10	Mon 4/12/10
32	3.1.3 Determine Hardware Requirements	16 days?	Tue 4/13/10	Tue 5/4/10
33	3.1.4 Determine Software Requirements	21 days?	Mon 4/26/10	Mon 5/24/10
34	**3.2 Allocate Resources**	**69 days?**	**Tue 5/25/10**	**Fri 8/13/10**
35	3.2.1 Bid Pricing	25 days?	Tue 5/25/10	Mon 6/28/10
36	3.2.2 Purchase Required Resources	31 days?	Tue 6/29/10	Tue 8/10/10
37	3.2.3 Receive/Account for Purchased Resources	21 days?	Fri 7/16/10	Fri 8/13/10
38	**3.3 Controlled (Test) Implementation**	**226 days?**	**Mon 8/16/10**	**Mon 6/27/11**



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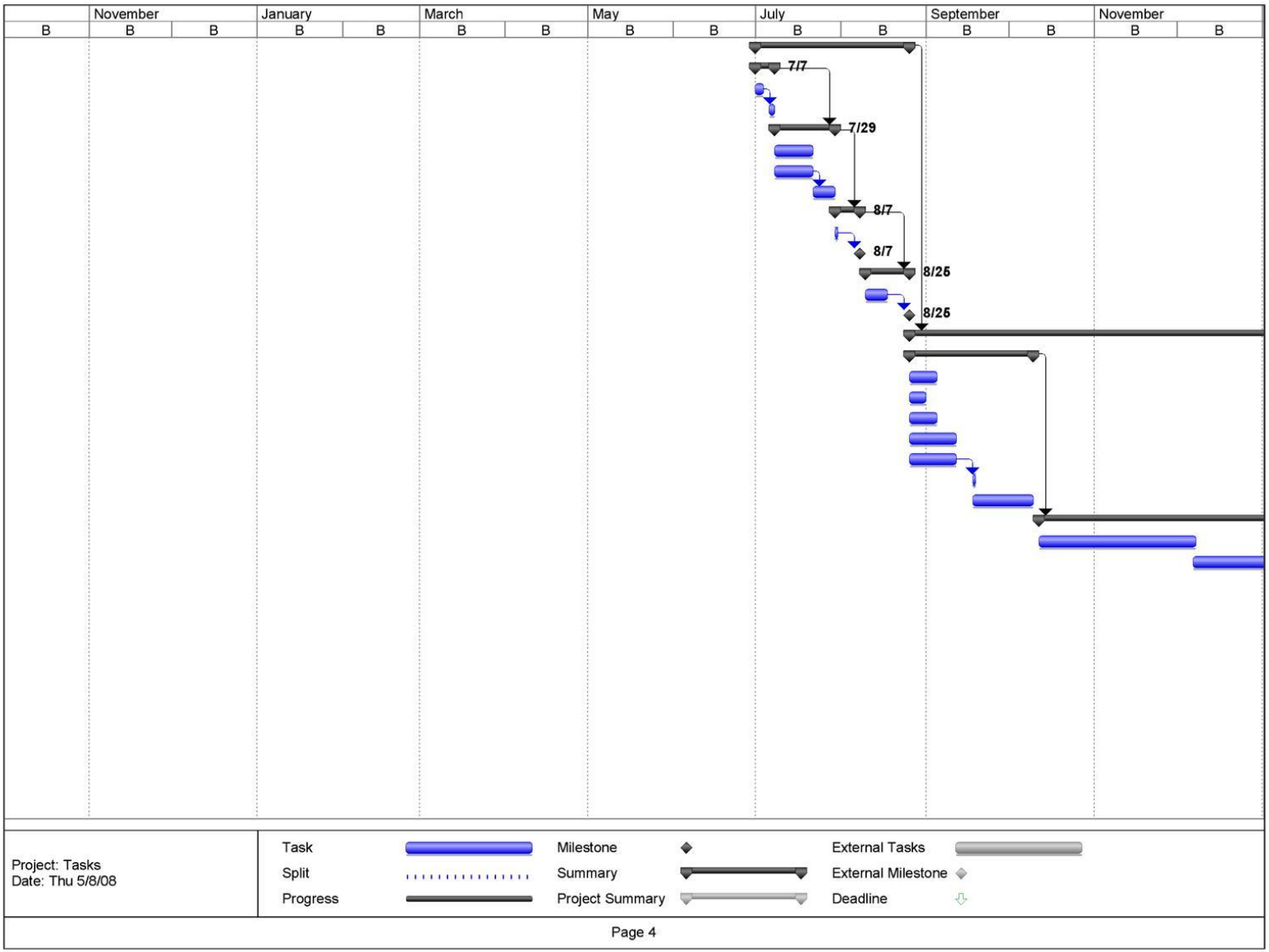
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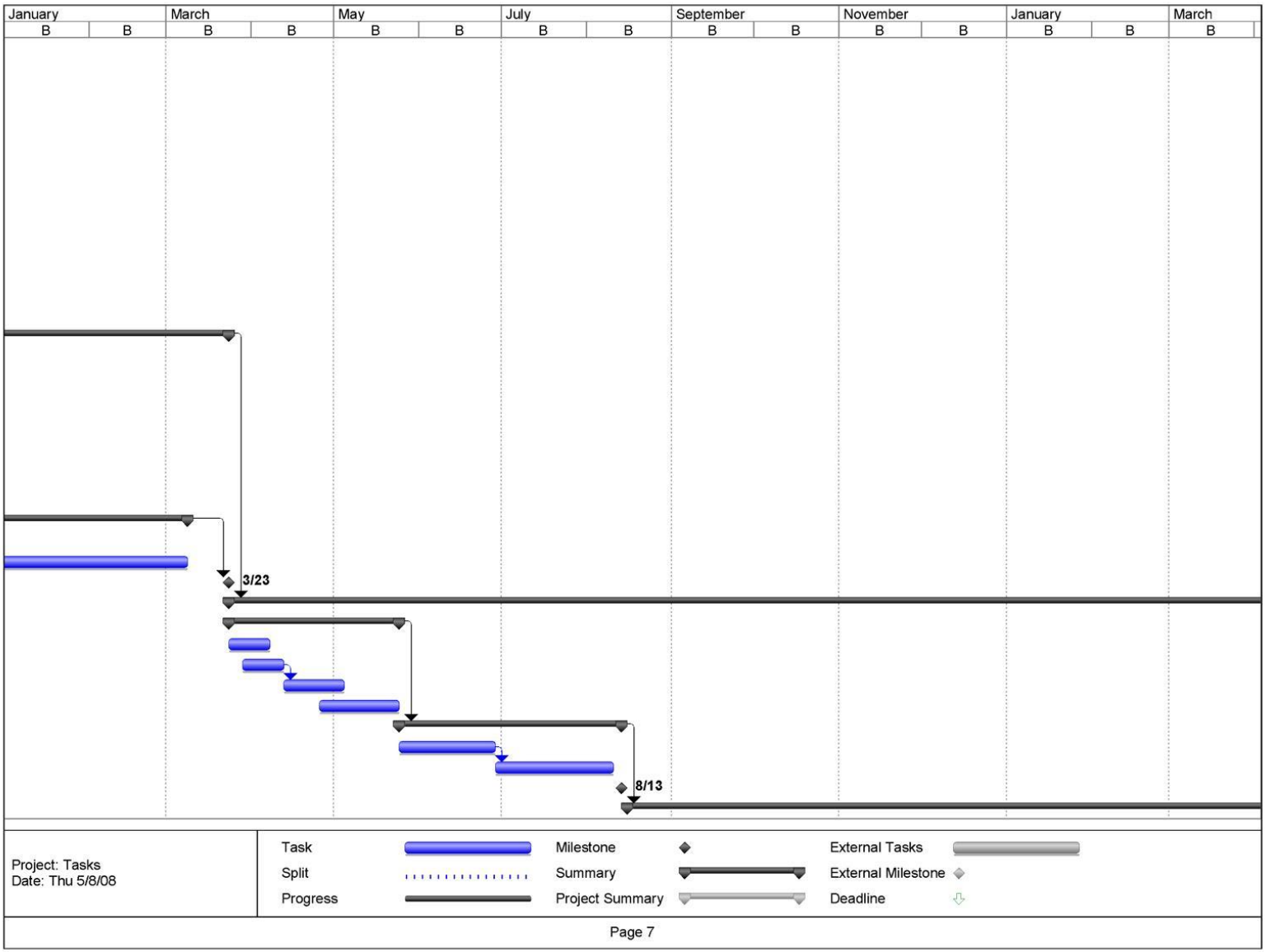
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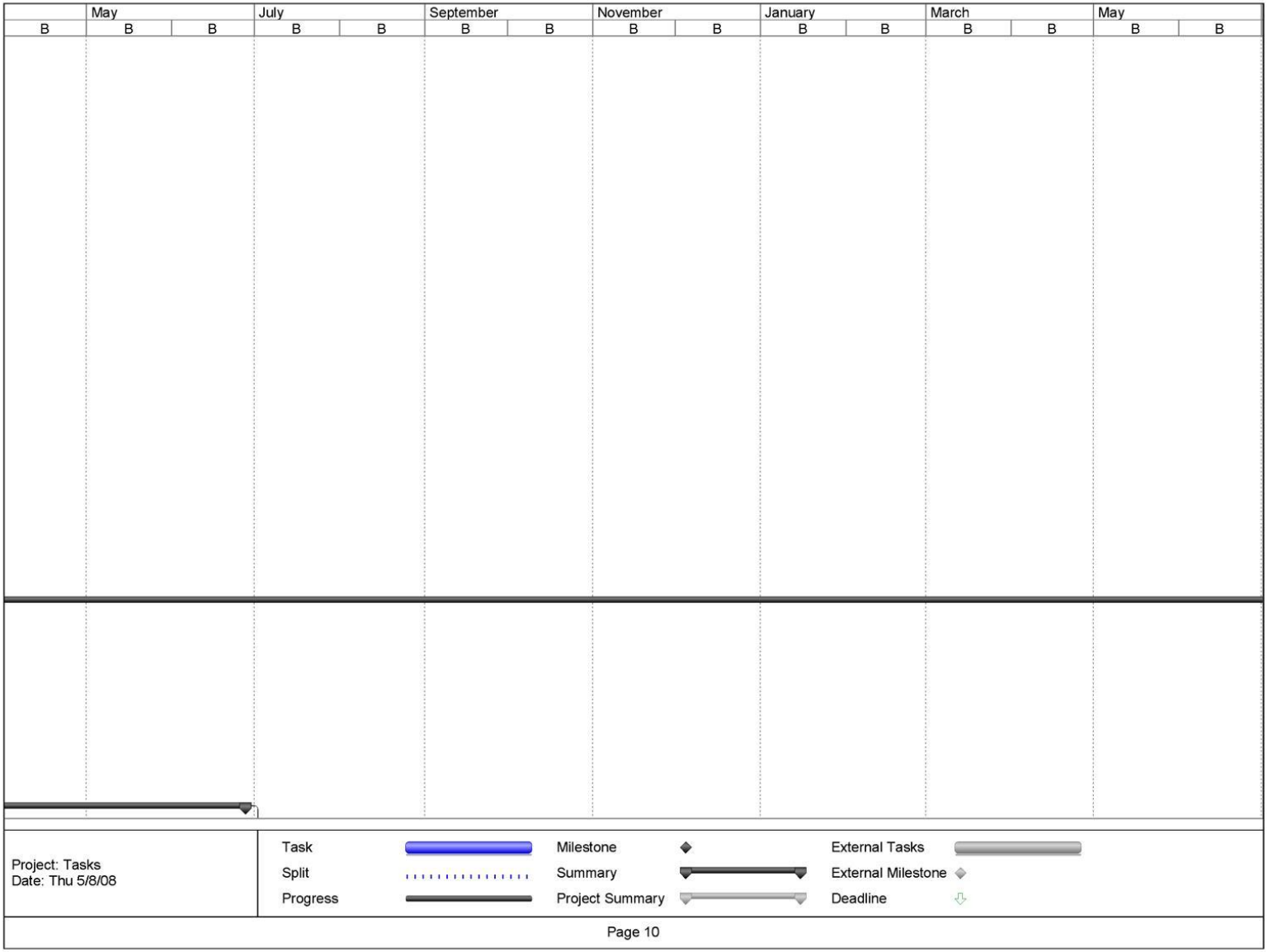
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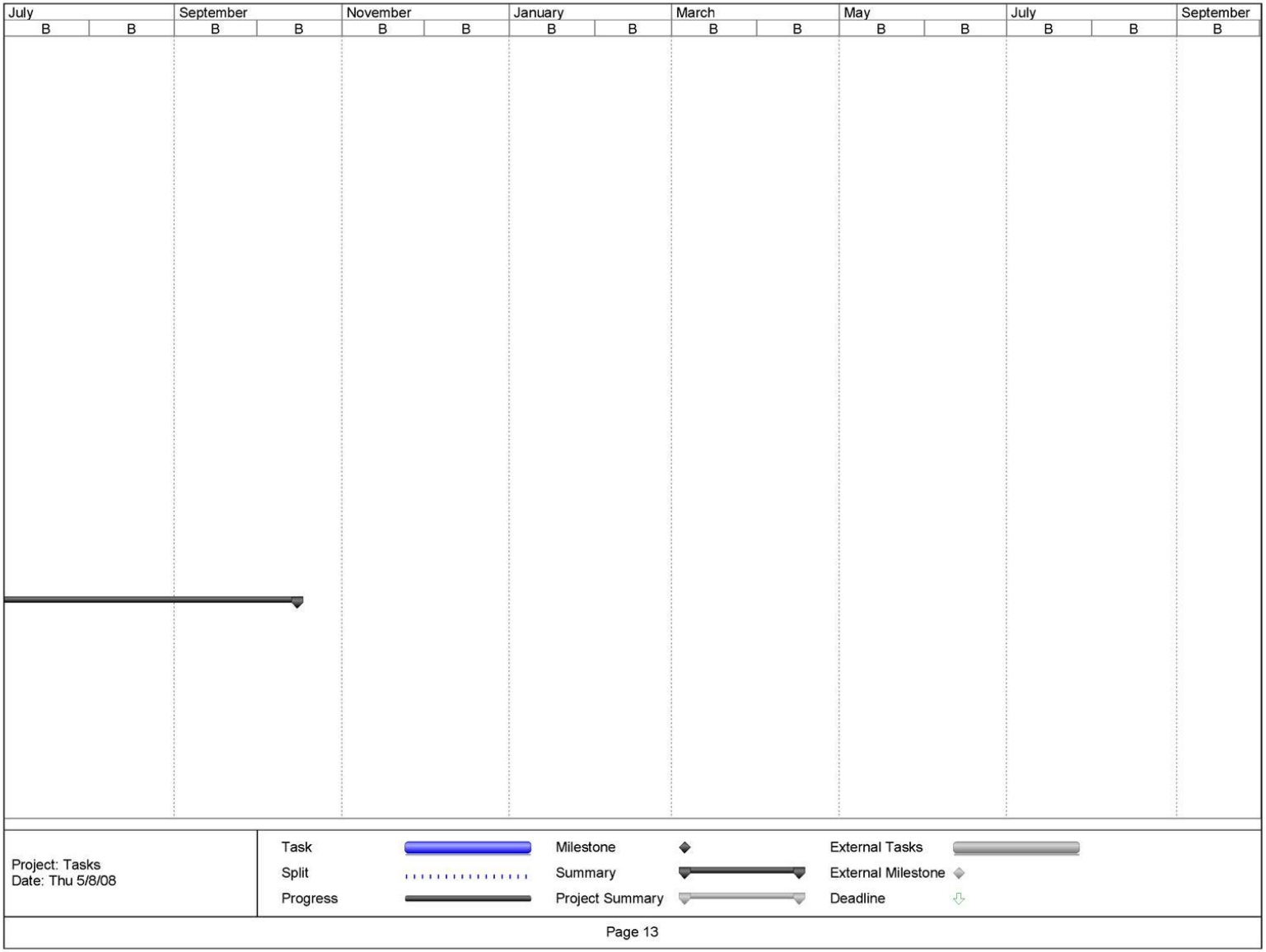
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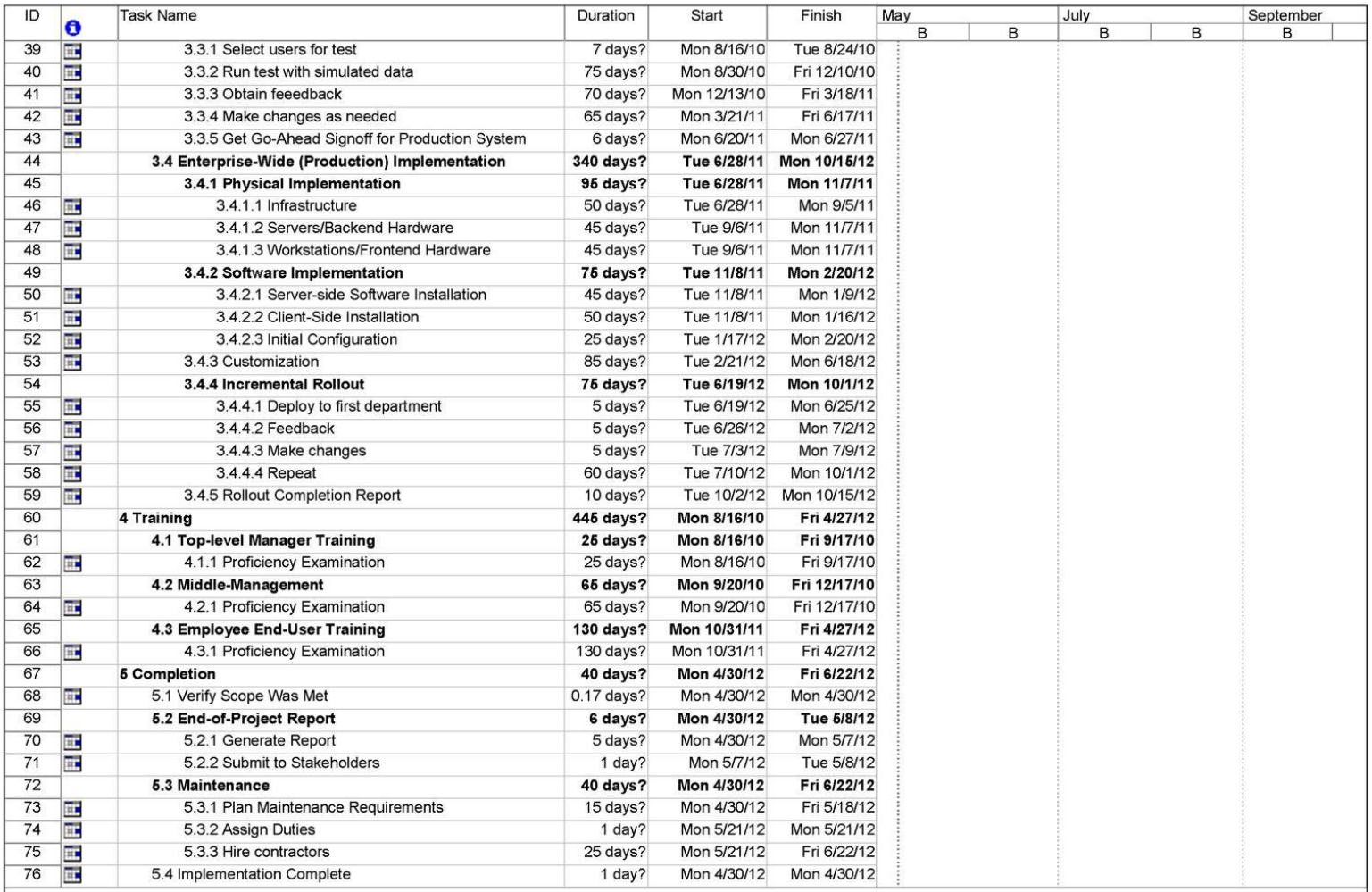
ID	Task Name	Duration	Start	Finish
39	3.3.1 Select users for test	7 days?	Mon 8/16/10	Tue 8/24/10
40	3.3.2 Run test with simulated data	75 days?	Mon 8/30/10	Fri 12/10/10
41	3.3.3 Obtain feeedback	70 days?	Mon 12/13/10	Fri 3/18/11
42	3.3.4 Make changes as needed	65 days?	Mon 3/21/11	Fri 6/17/11
43	3.3.5 Get Go-Ahead Signoff for Production System	6 days?	Mon 6/20/11	Mon 6/27/11
44	**3.4 Enterprise-Wide (Production) Implementation**	**340 days?**	**Tue 6/28/11**	**Mon 10/15/12**
45	**3.4.1 Physical Implementation**	**95 days?**	**Tue 6/28/11**	**Mon 11/7/11**
46	3.4.1.1 Infrastructure	50 days?	Tue 6/28/11	Mon 9/5/11
47	3.4.1.2 Servers/Backend Hardware	45 days?	Tue 9/6/11	Mon 11/7/11
48	3.4.1.3 Workstations/Frontend Hardware	45 days?	Tue 9/6/11	Mon 11/7/11
49	**3.4.2 Software Implementation**	**75 days?**	**Tue 11/8/11**	**Mon 2/20/12**
50	3.4.2.1 Server-side Software Installation	45 days?	Tue 11/8/11	Mon 1/9/12
51	3.4.2.2 Client-Side Installation	50 days?	Tue 11/8/11	Mon 1/16/12
52	3.4.2.3 Initial Configuration	25 days?	Tue 1/17/12	Mon 2/20/12
53	3.4.3 Customization	85 days?	Tue 2/21/12	Mon 6/18/12
54	**3.4.4 Incremental Rollout**	**75 days?**	**Tue 6/19/12**	**Mon 10/1/12**
55	3.4.4.1 Deploy to first department	5 days?	Tue 6/19/12	Mon 6/25/12
56	3.4.4.2 Feedback	5 days?	Tue 6/26/12	Mon 7/2/12
57	3.4.4.3 Make changes	5 days?	Tue 7/3/12	Mon 7/9/12
58	3.4.4.4 Repeat	60 days?	Tue 7/10/12	Mon 10/1/12
59	3.4.5 Rollout Completion Report	10 days?	Tue 10/2/12	Mon 10/15/12
60	**4 Training**	**445 days?**	**Mon 8/16/10**	**Fri 4/27/12**
61	**4.1 Top-level Manager Training**	**25 days?**	**Mon 8/16/10**	**Fri 9/17/10**
62	4.1.1 Proficiency Examination	25 days?	Mon 8/16/10	Fri 9/17/10
63	**4.2 Middle-Management**	**65 days?**	**Mon 9/20/10**	**Fri 12/17/10**
64	4.2.1 Proficiency Examination	65 days?	Mon 9/20/10	Fri 12/17/10
65	**4.3 Employee End-User Training**	**130 days?**	**Mon 10/31/11**	**Fri 4/27/12**
66	4.3.1 Proficiency Examination	130 days?	Mon 10/31/11	Fri 4/27/12
67	**5 Completion**	**40 days?**	**Mon 4/30/12**	**Fri 6/22/12**
68	5.1 Verify Scope Was Met	0.17 days?	Mon 4/30/12	Mon 4/30/12
69	**5.2 End-of-Project Report**	**6 days?**	**Mon 4/30/12**	**Tue 5/8/12**
70	5.2.1 Generate Report	5 days?	Mon 4/30/12	Mon 5/7/12
71	5.2.2 Submit to Stakeholders	1 day?	Mon 5/7/12	Tue 5/8/12
72	**5.3 Maintenance**	**40 days?**	**Mon 4/30/12**	**Fri 6/22/12**
73	5.3.1 Plan Maintenance Requirements	15 days?	Mon 4/30/12	Fri 5/18/12
74	5.3.2 Assign Duties	1 day?	Mon 5/21/12	Mon 5/21/12
75	5.3.3 Hire contractors	25 days?	Mon 5/21/12	Fri 6/22/12
76	5.4 Implementation Complete	1 day?	Mon 4/30/12	Mon 4/30/12



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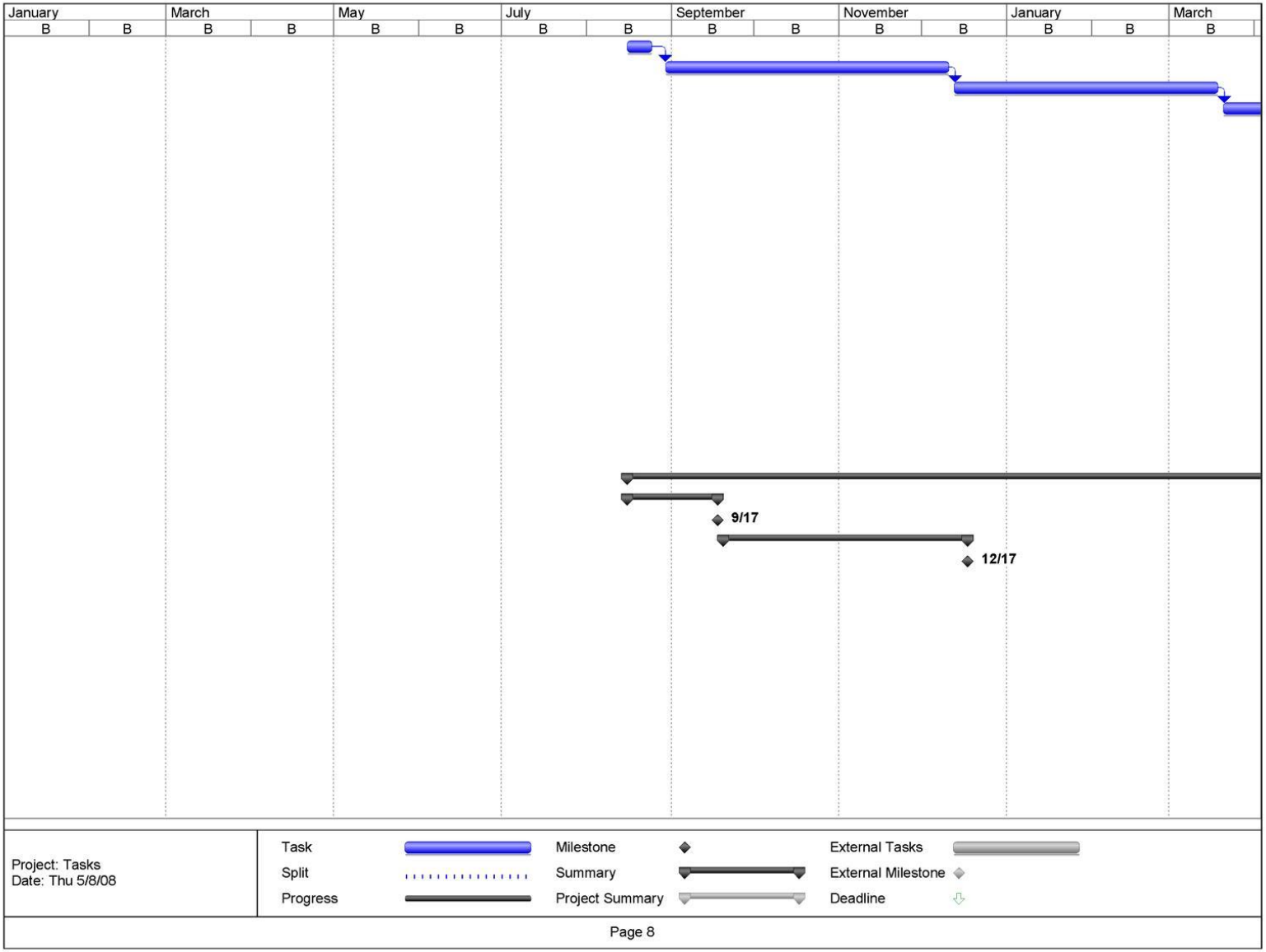
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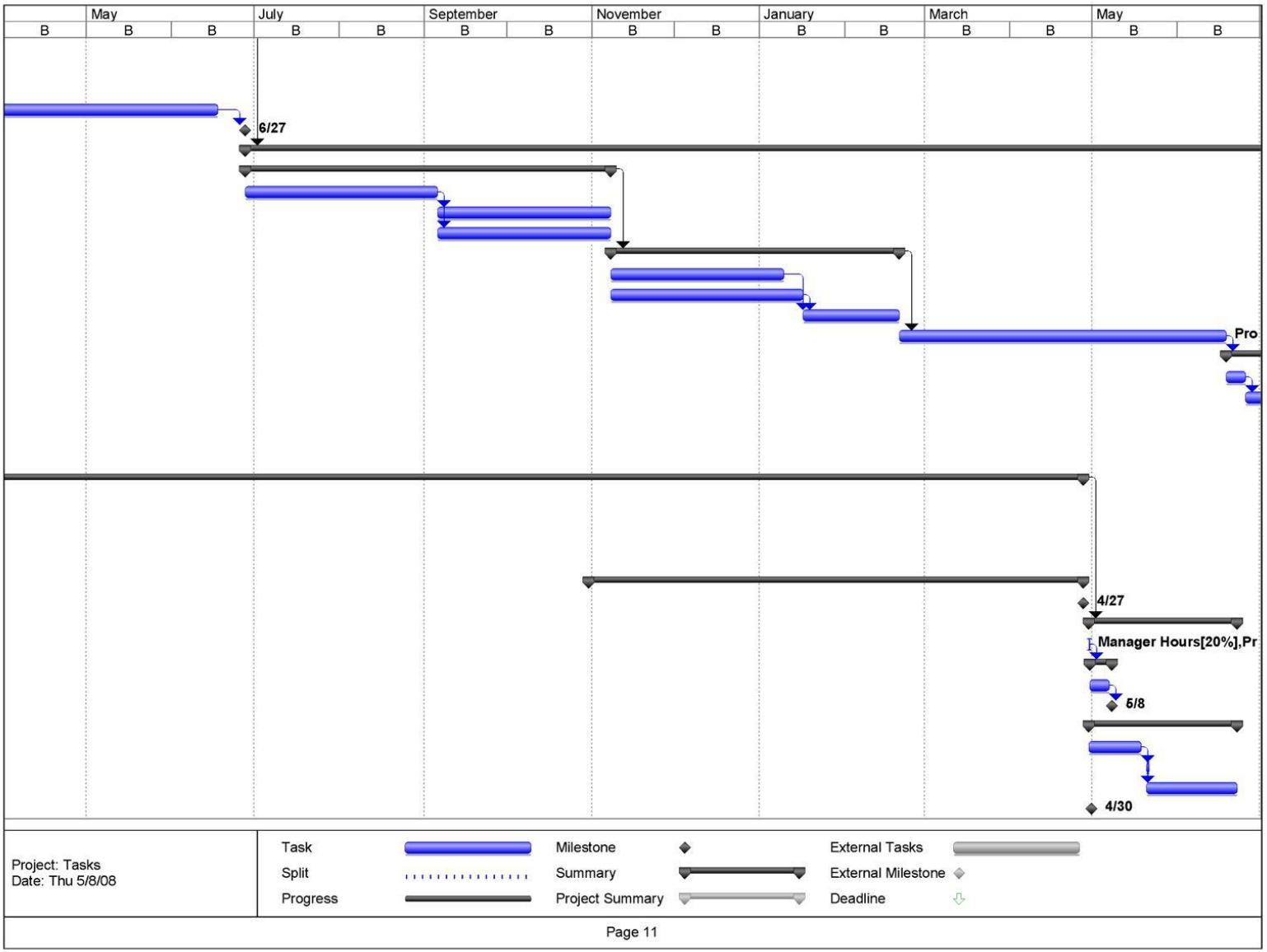
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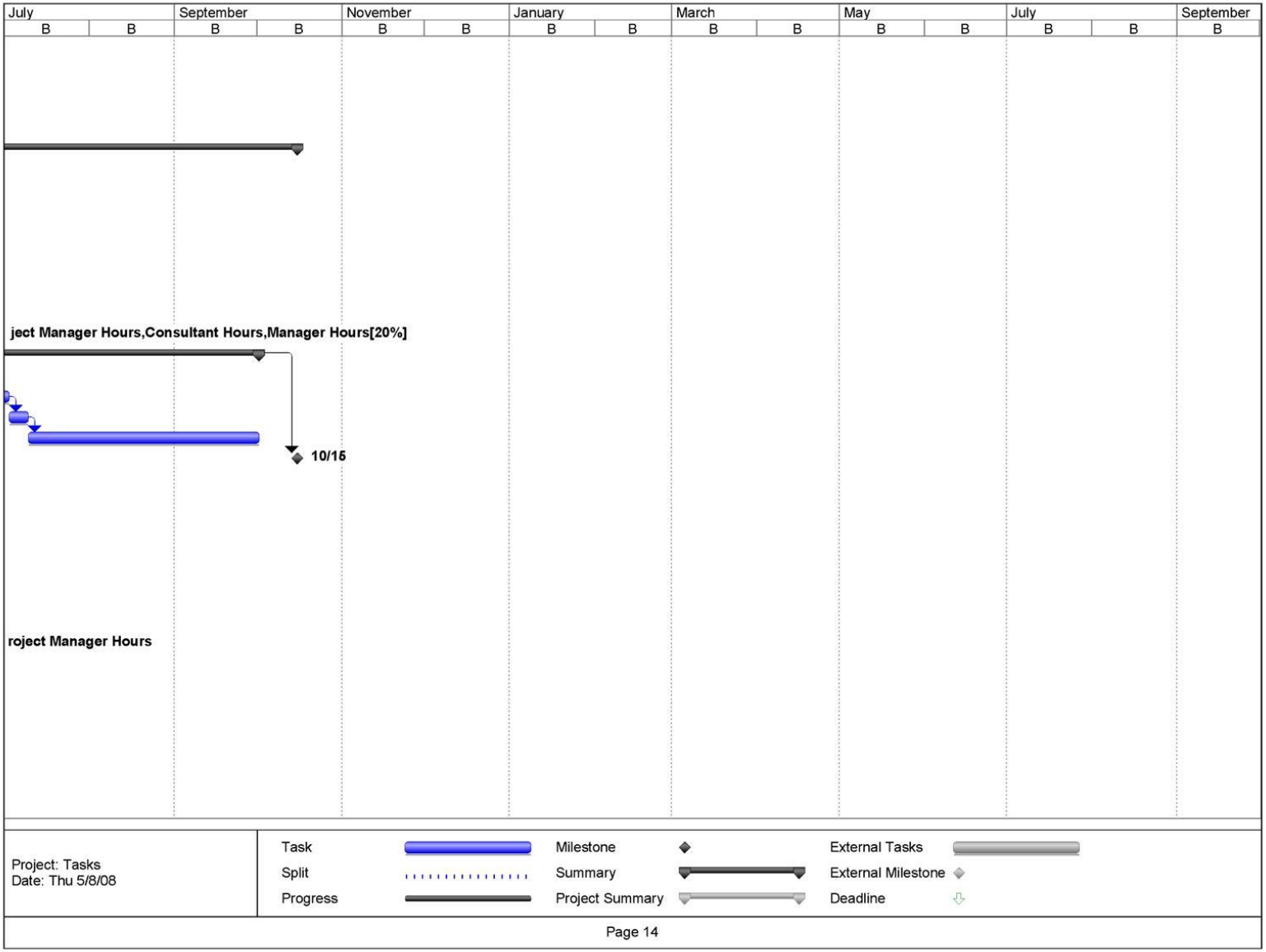
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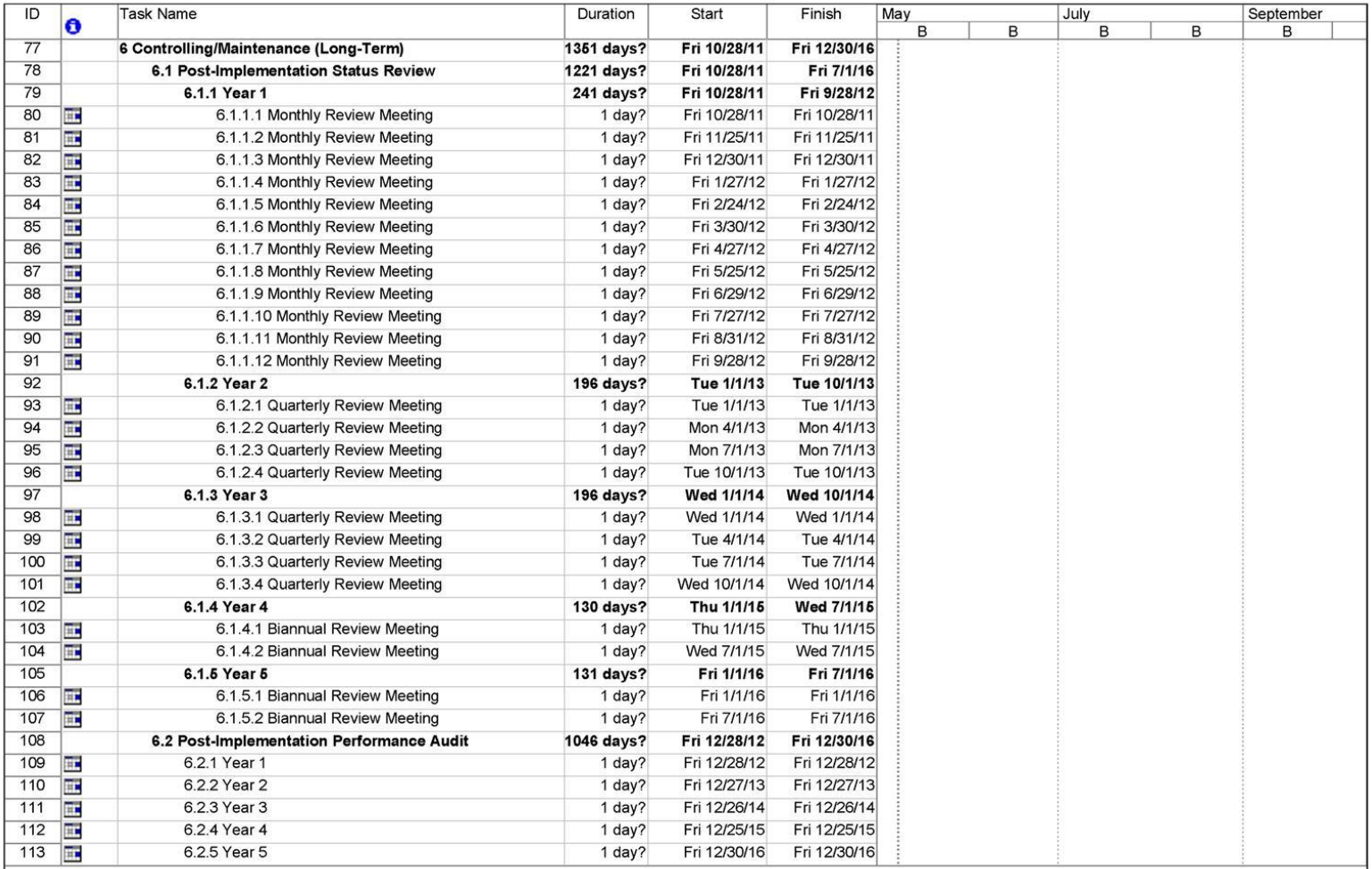
ID	Task Name	Duration	Start	Finish
77	**6 Controlling/Maintenance (Long-Term)**	**1351 days?**	**Fri 10/28/11**	**Fri 12/30/16**
78	**6.1 Post-Implementation Status Review**	**1221 days?**	**Fri 10/28/11**	**Fri 7/1/16**
79	**6.1.1 Year 1**	**241 days?**	**Fri 10/28/11**	**Fri 9/28/12**
80	6.1.1.1 Monthly Review Meeting	1 day?	Fri 10/28/11	Fri 10/28/11
81	6.1.1.2 Monthly Review Meeting	1 day?	Fri 11/25/11	Fri 11/25/11
82	6.1.1.3 Monthly Review Meeting	1 day?	Fri 12/30/11	Fri 12/30/11
83	6.1.1.4 Monthly Review Meeting	1 day?	Fri 1/27/12	Fri 1/27/12
84	6.1.1.5 Monthly Review Meeting	1 day?	Fri 2/24/12	Fri 2/24/12
85	6.1.1.6 Monthly Review Meeting	1 day?	Fri 3/30/12	Fri 3/30/12
86	6.1.1.7 Monthly Review Meeting	1 day?	Fri 4/27/12	Fri 4/27/12
87	6.1.1.8 Monthly Review Meeting	1 day?	Fri 5/25/12	Fri 5/25/12
88	6.1.1.9 Monthly Review Meeting	1 day?	Fri 6/29/12	Fri 6/29/12
89	6.1.1.10 Monthly Review Meeting	1 day?	Fri 7/27/12	Fri 7/27/12
90	6.1.1.11 Monthly Review Meeting	1 day?	Fri 8/31/12	Fri 8/31/12
91	6.1.1.12 Monthly Review Meeting	1 day?	Fri 9/28/12	Fri 9/28/12
92	**6.1.2 Year 2**	**196 days?**	**Tue 1/1/13**	**Tue 10/1/13**
93	6.1.2.1 Quarterly Review Meeting	1 day?	Tue 1/1/13	Tue 1/1/13
94	6.1.2.2 Quarterly Review Meeting	1 day?	Mon 4/1/13	Mon 4/1/13
95	6.1.2.3 Quarterly Review Meeting	1 day?	Mon 7/1/13	Mon 7/1/13
96	6.1.2.4 Quarterly Review Meeting	1 day?	Tue 10/1/13	Tue 10/1/13
97	**6.1.3 Year 3**	**196 days?**	**Wed 1/1/14**	**Wed 10/1/14**
98	6.1.3.1 Quarterly Review Meeting	1 day?	Wed 1/1/14	Wed 1/1/14
99	6.1.3.2 Quarterly Review Meeting	1 day?	Tue 4/1/14	Tue 4/1/14
100	6.1.3.3 Quarterly Review Meeting	1 day?	Tue 7/1/14	Tue 7/1/14
101	6.1.3.4 Quarterly Review Meeting	1 day?	Wed 10/1/14	Wed 10/1/14
102	**6.1.4 Year 4**	**130 days?**	**Thu 1/1/15**	**Wed 7/1/15**
103	6.1.4.1 Biannual Review Meeting	1 day?	Thu 1/1/15	Thu 1/1/15
104	6.1.4.2 Biannual Review Meeting	1 day?	Wed 7/1/15	Wed 7/1/15
105	**6.1.5 Year 5**	**131 days?**	**Fri 1/1/16**	**Fri 7/1/16**
106	6.1.5.1 Biannual Review Meeting	1 day?	Fri 1/1/16	Fri 1/1/16
107	6.1.5.2 Biannual Review Meeting	1 day?	Fri 7/1/16	Fri 7/1/16
108	**6.2 Post-Implementation Performance Audit**	**1046 days?**	**Fri 12/28/12**	**Fri 12/30/16**
109	6.2.1 Year 1	1 day?	Fri 12/28/12	Fri 12/28/12
110	6.2.2 Year 2	1 day?	Fri 12/27/13	Fri 12/27/13
111	6.2.3 Year 3	1 day?	Fri 12/26/14	Fri 12/26/14
112	6.2.4 Year 4	1 day?	Fri 12/25/15	Fri 12/25/15
113	6.2.5 Year 5	1 day?	Fri 12/30/16	Fri 12/30/16



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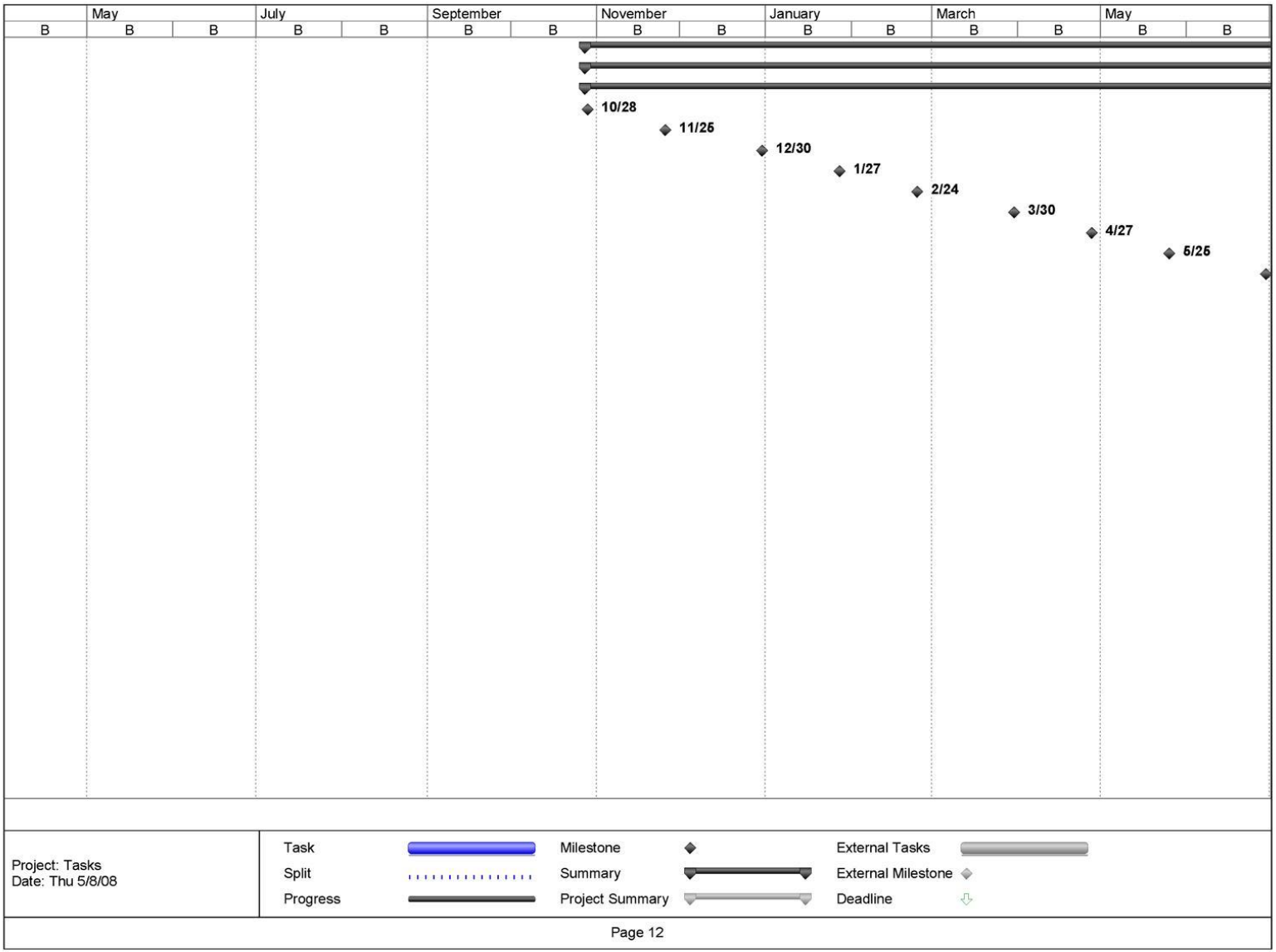
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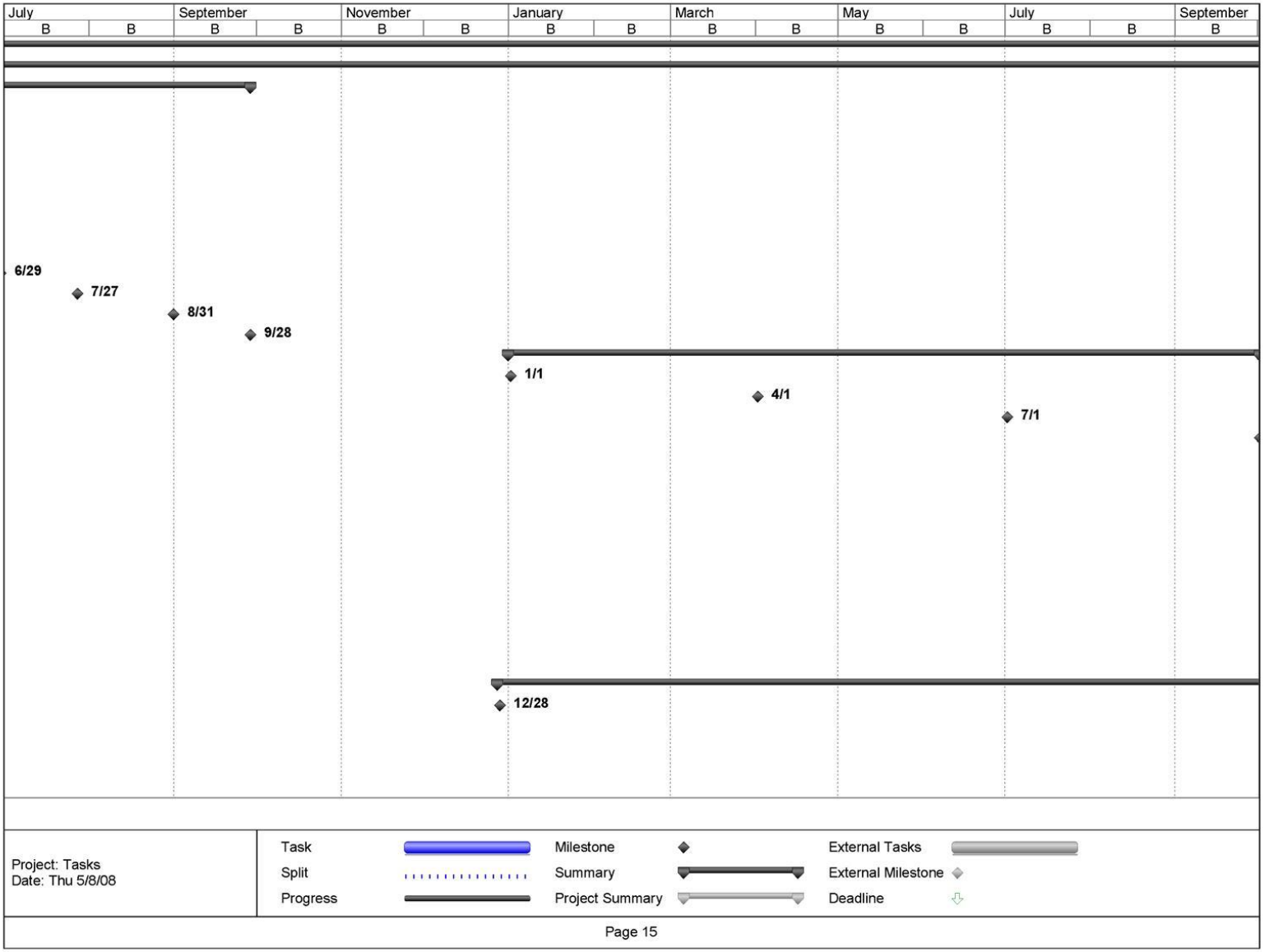
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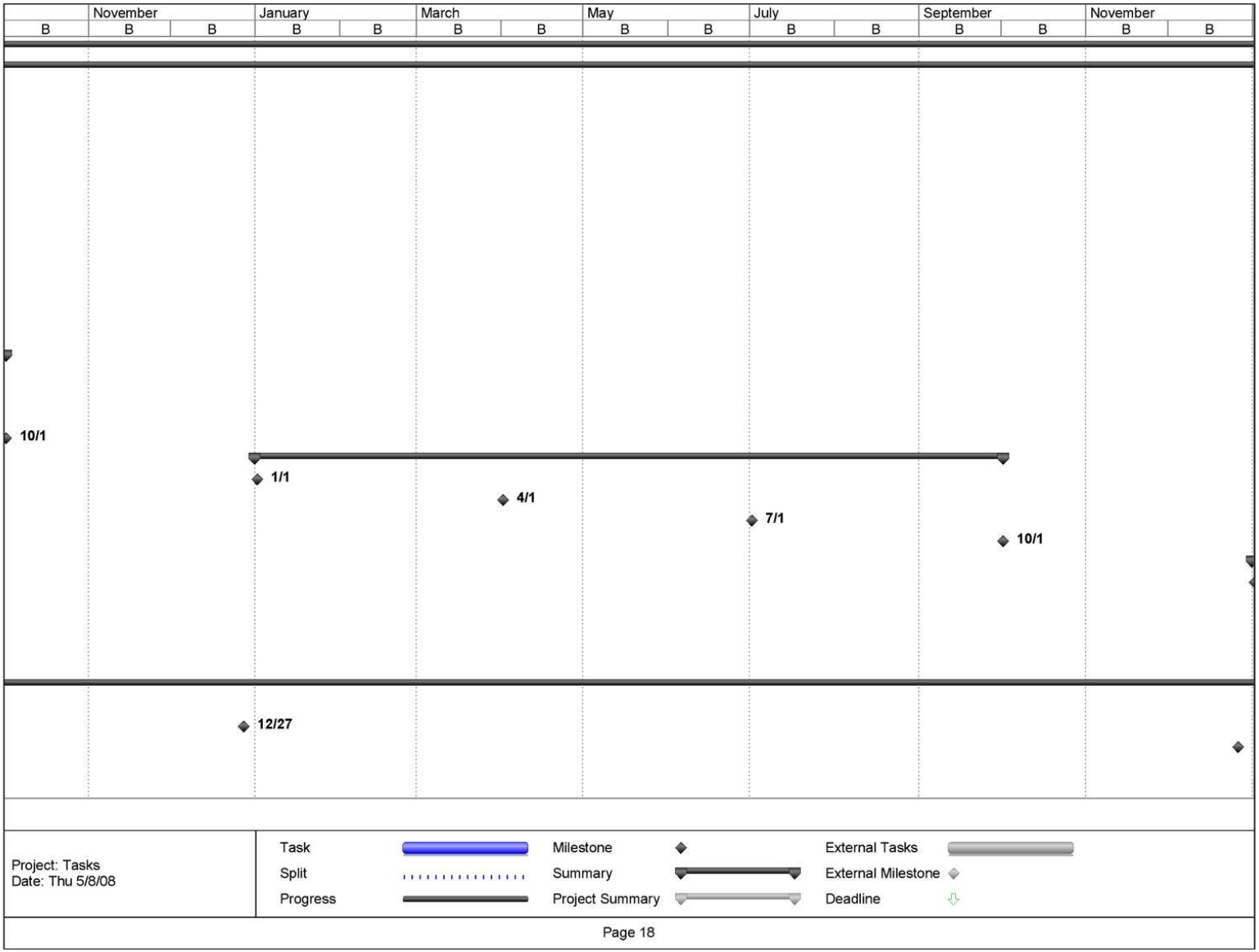
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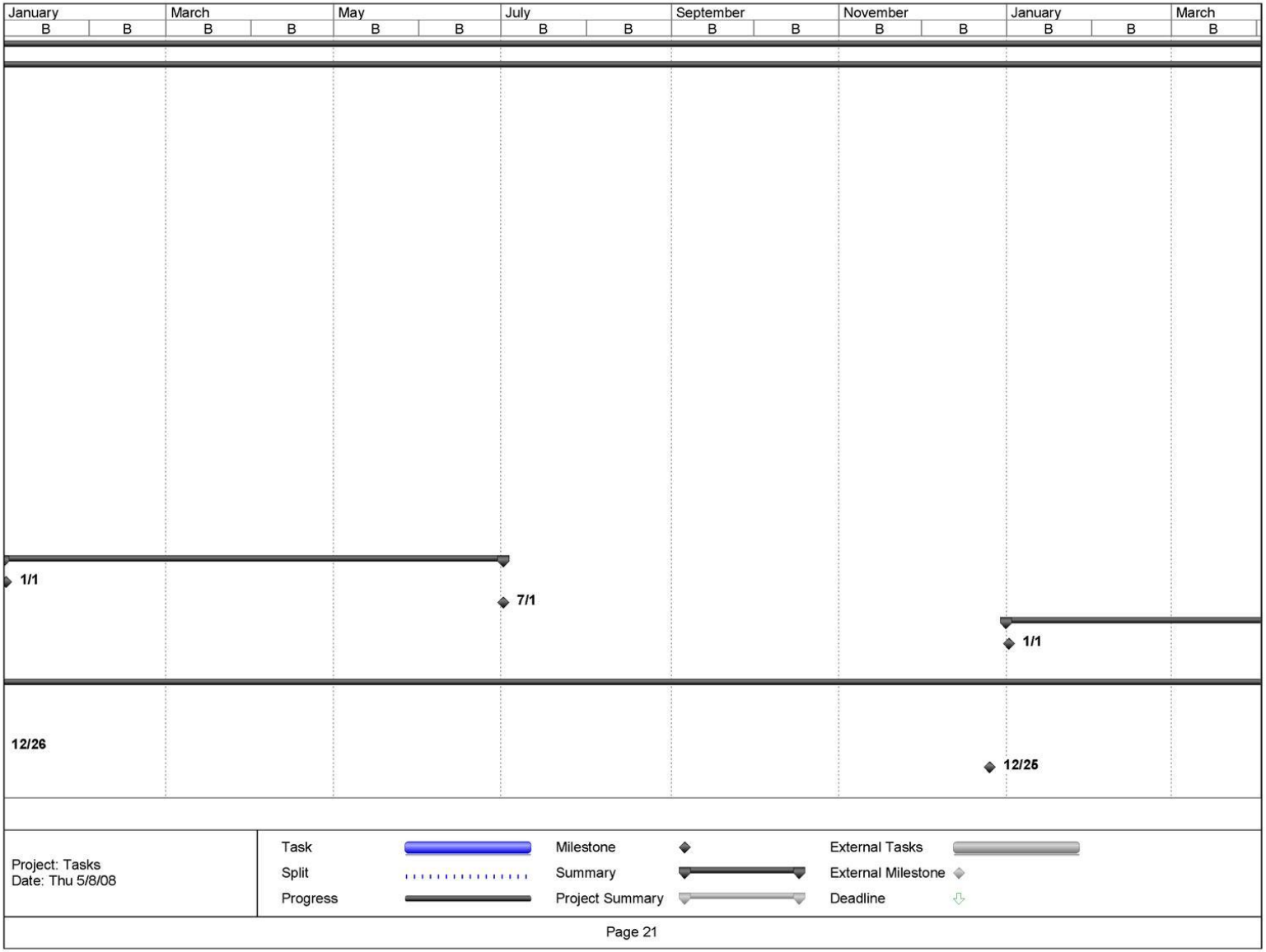
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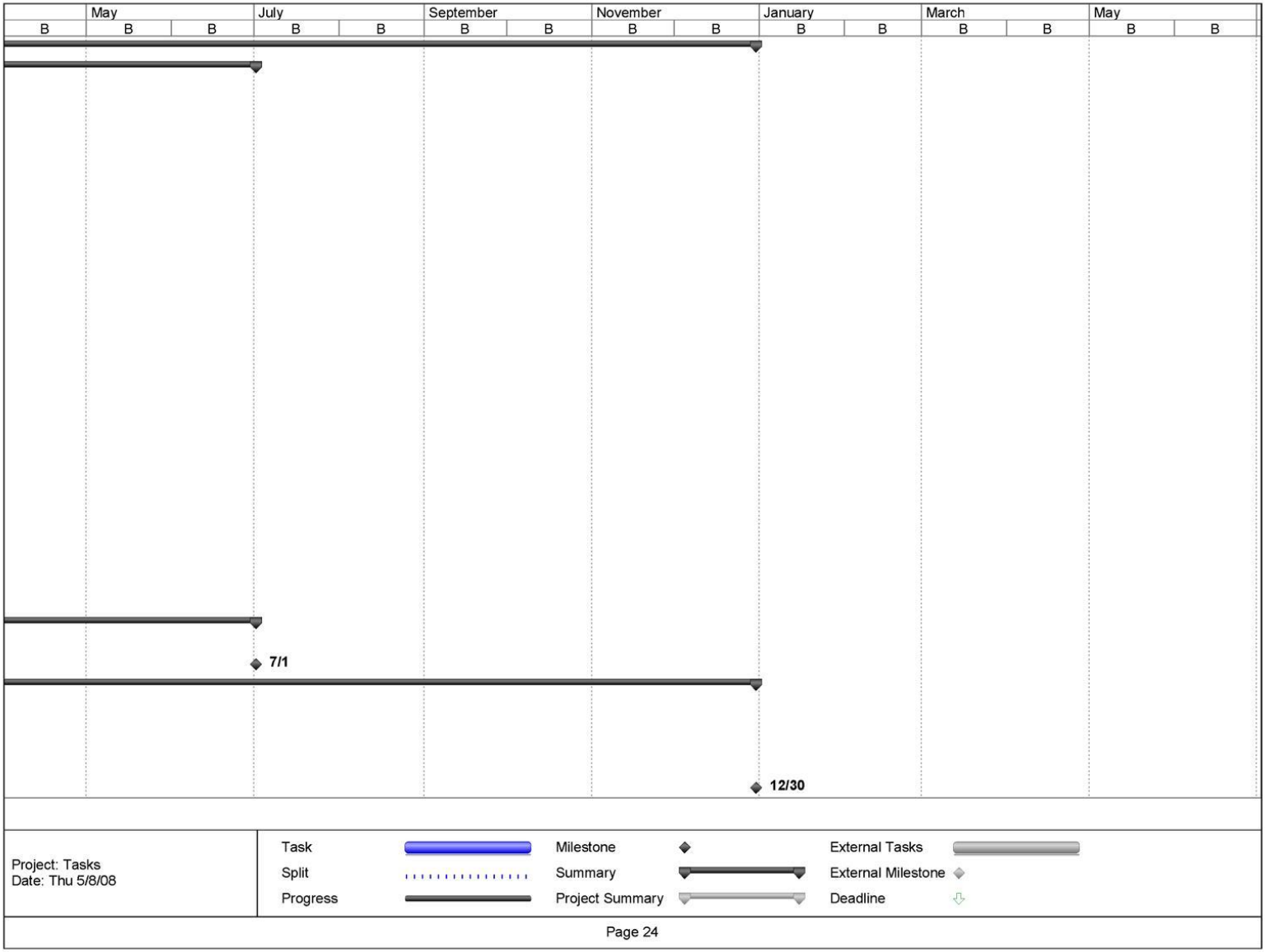
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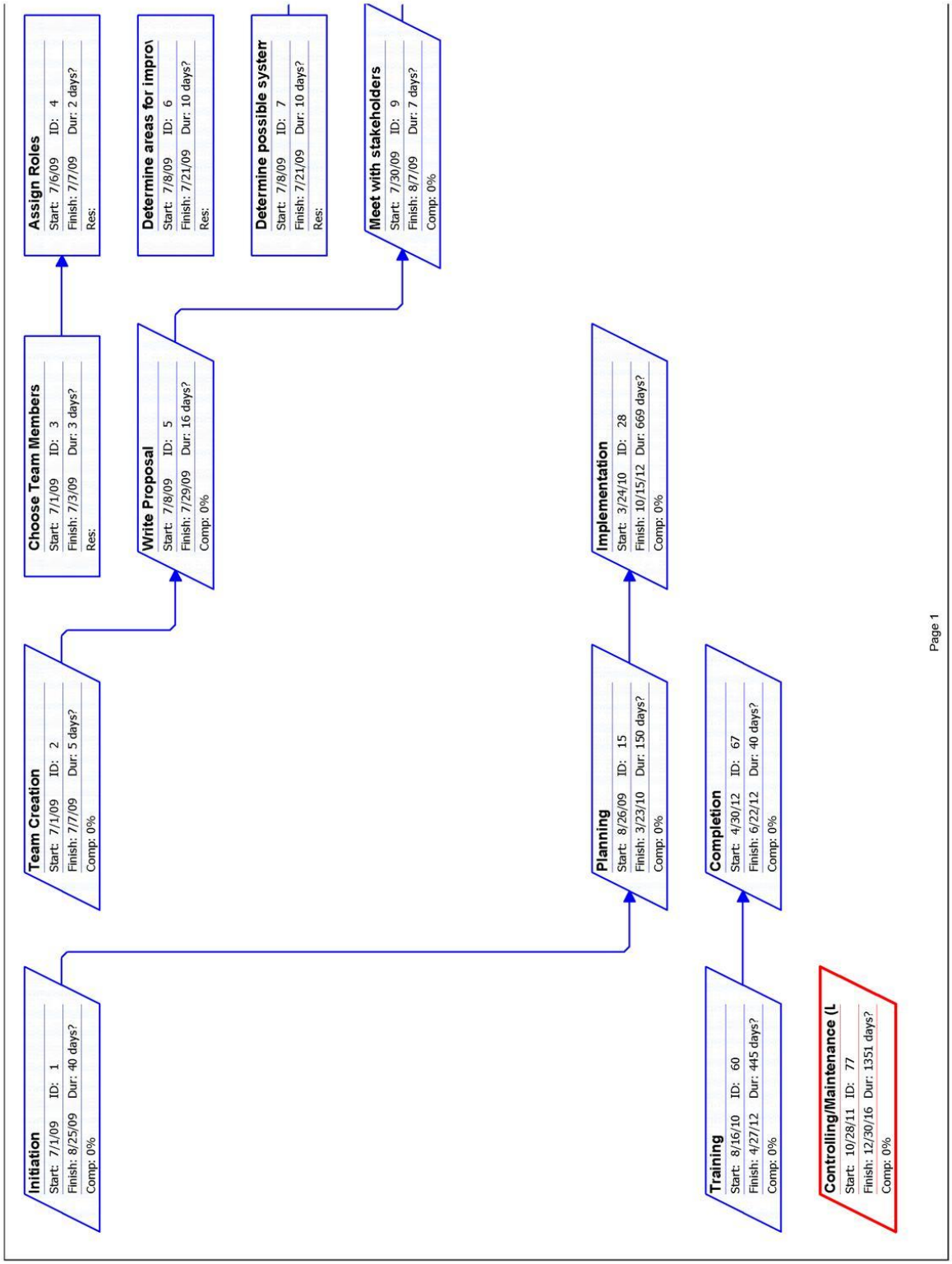
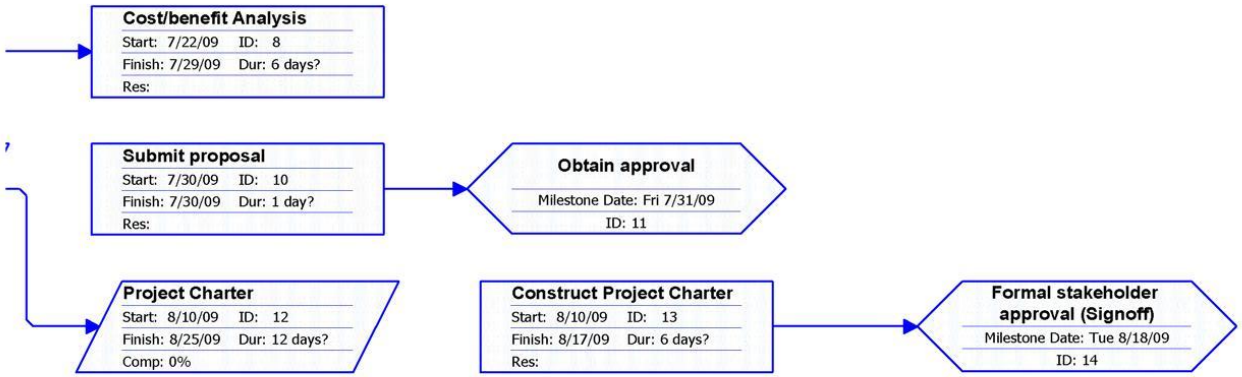
NETWORK DIAGRAM

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Submit proposal
Start: 7/30/09 ID: 10
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Milestone Date: Fri 7/31/09
ID: 11
Project Charter
Start: 8/10/09 ID: 12
Finish: 8/25/09 Dur: 12 days?
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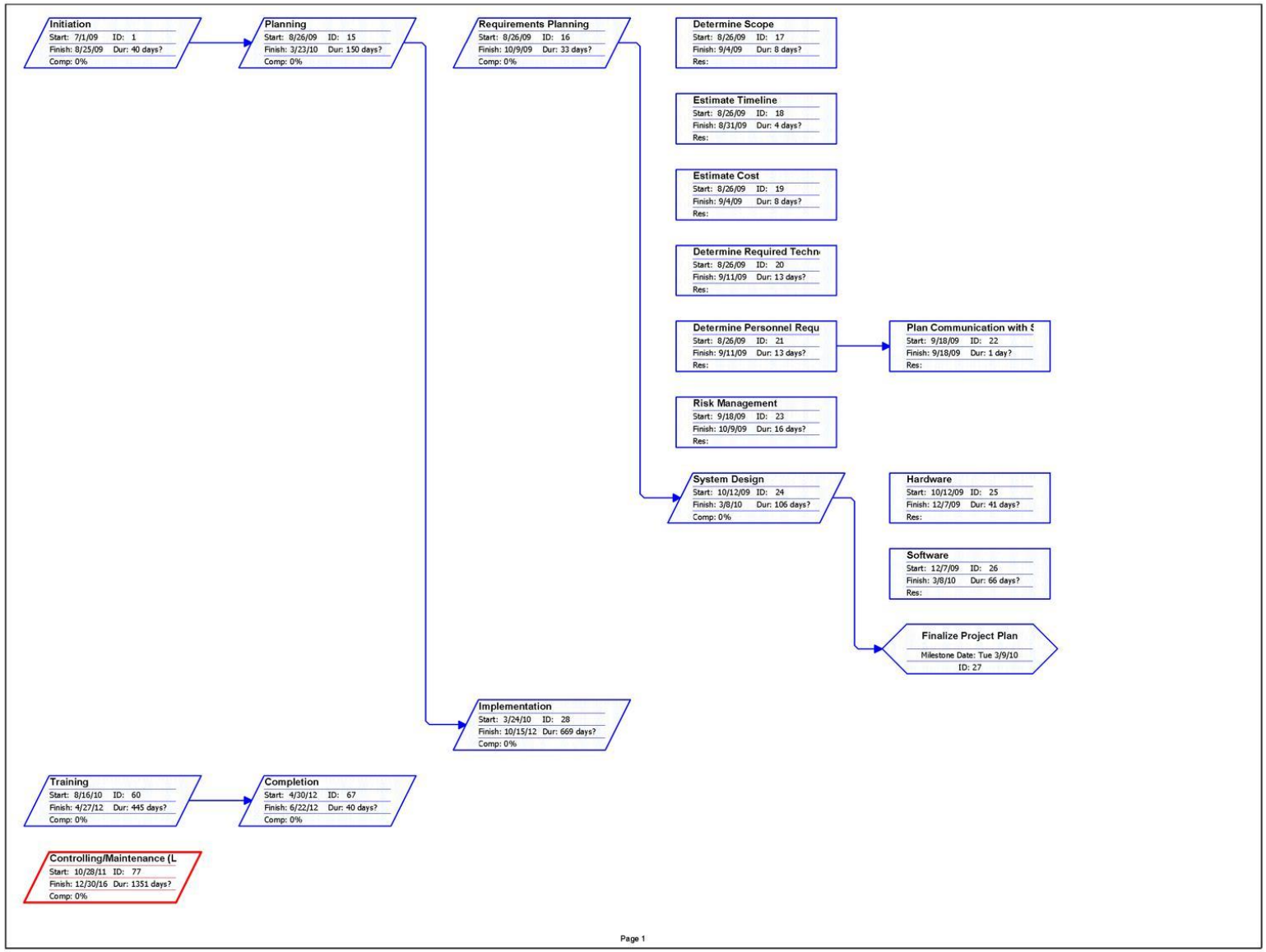
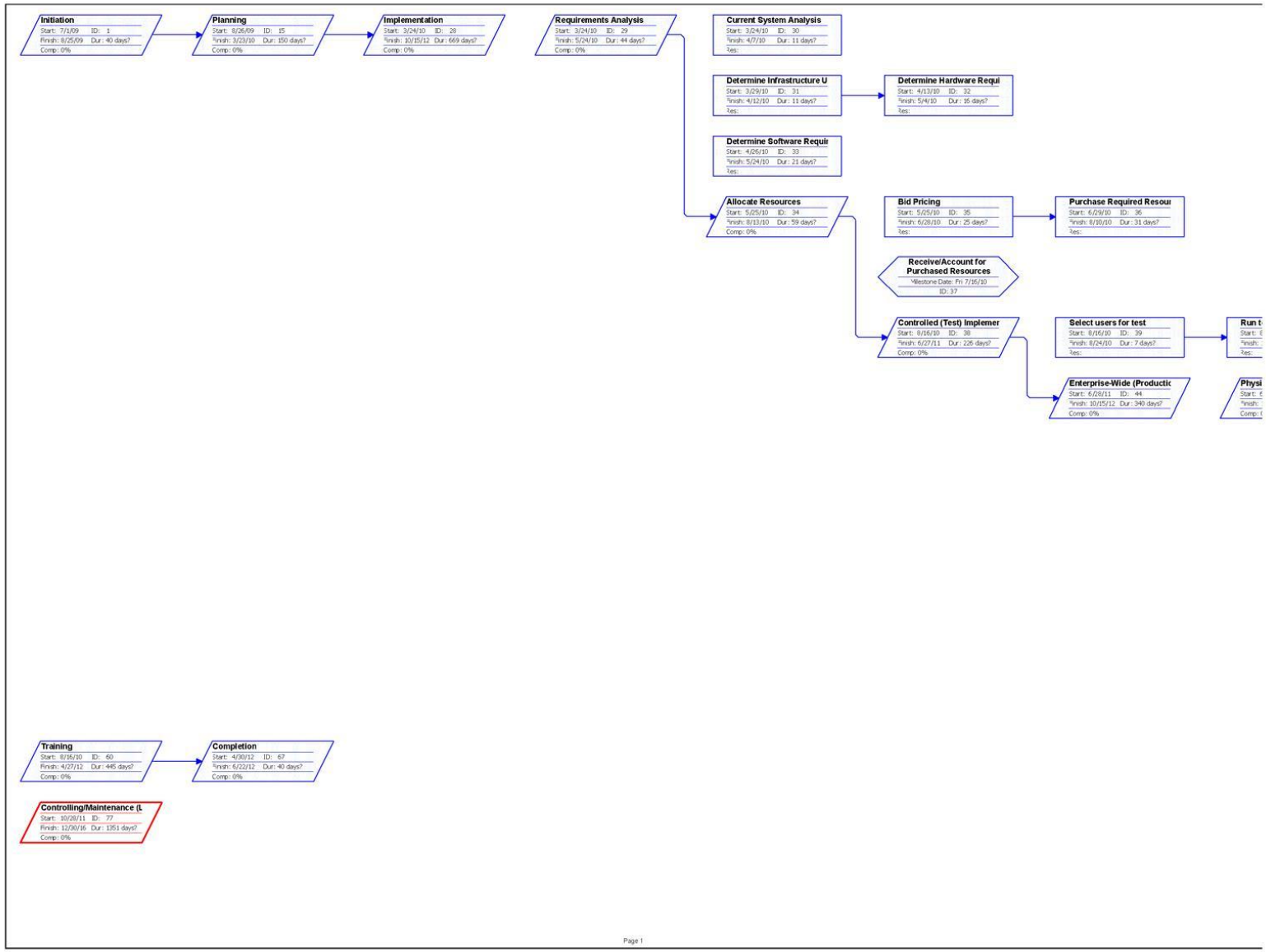
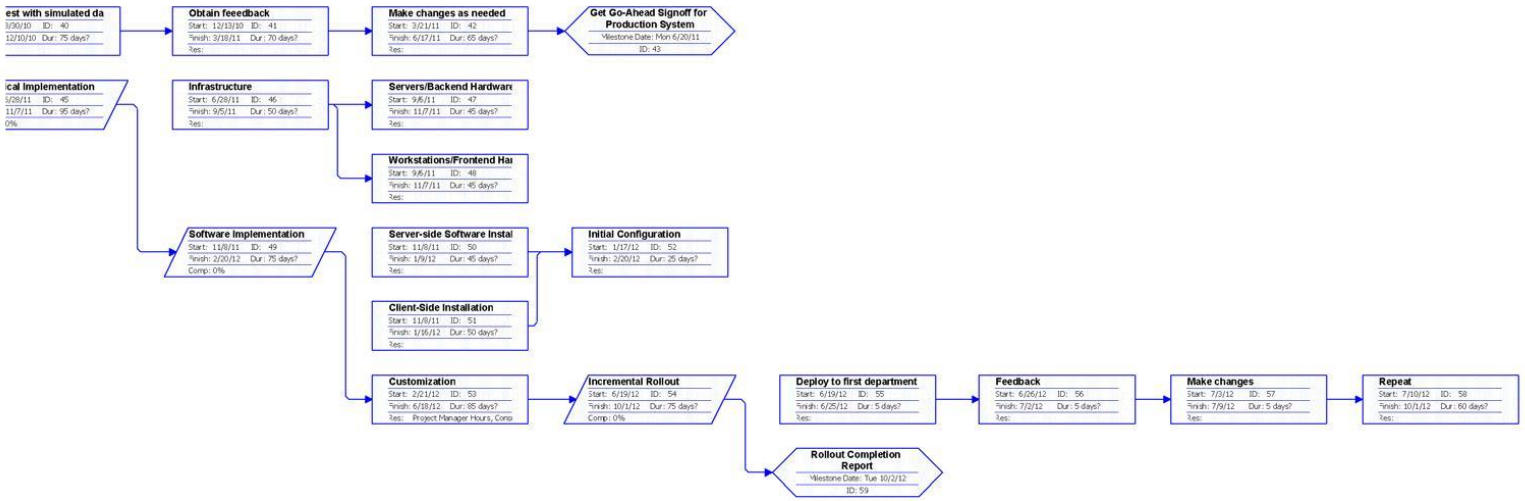
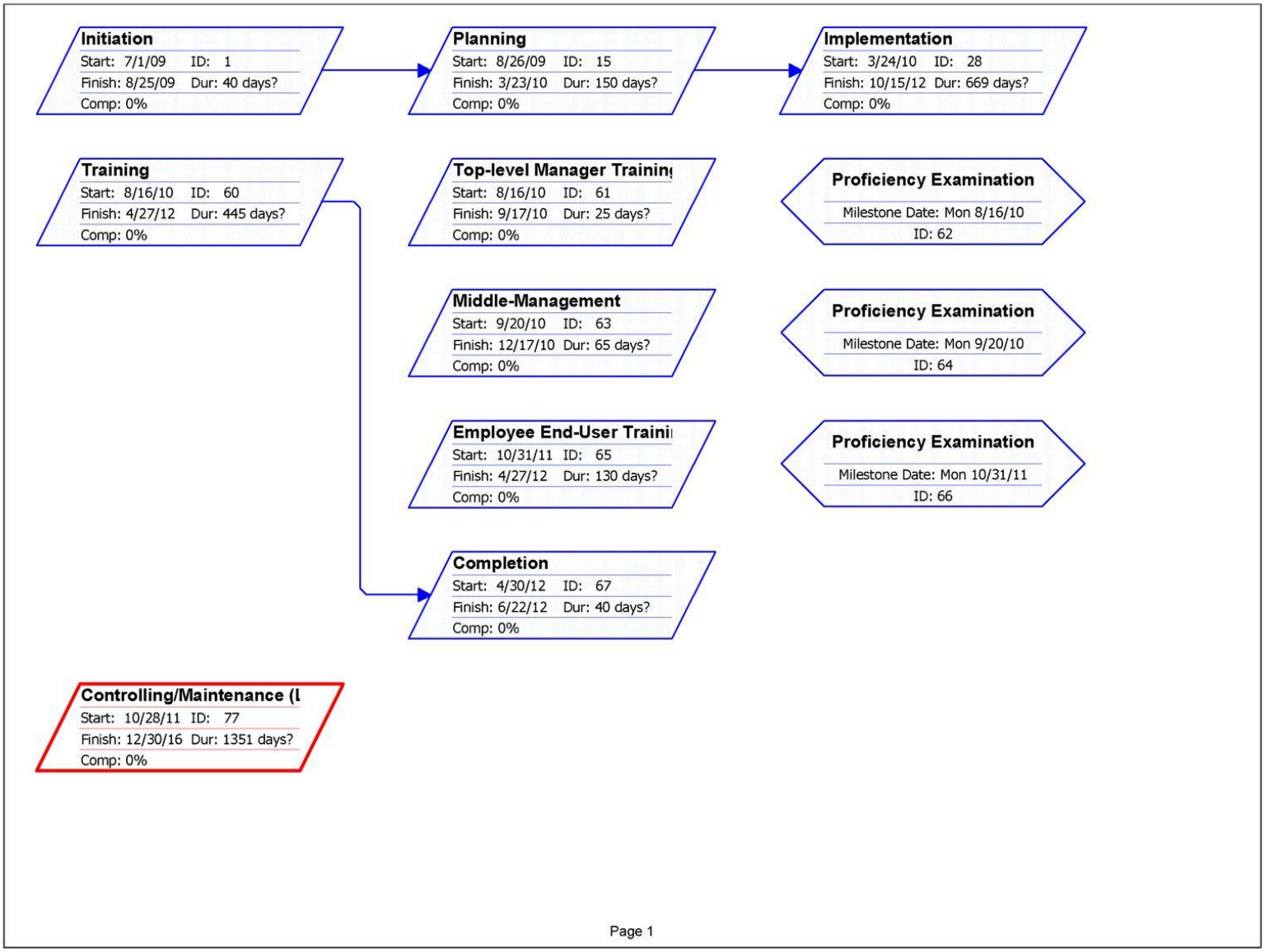
Construct Project Charter
Start: 8/10/09 ID: 13
Finish: 8/17/09 Dur: 6 days?
Res:
Formal stakeholder approval (Signoff)
Milestone Date: Tue 8/18/09
ID: 14

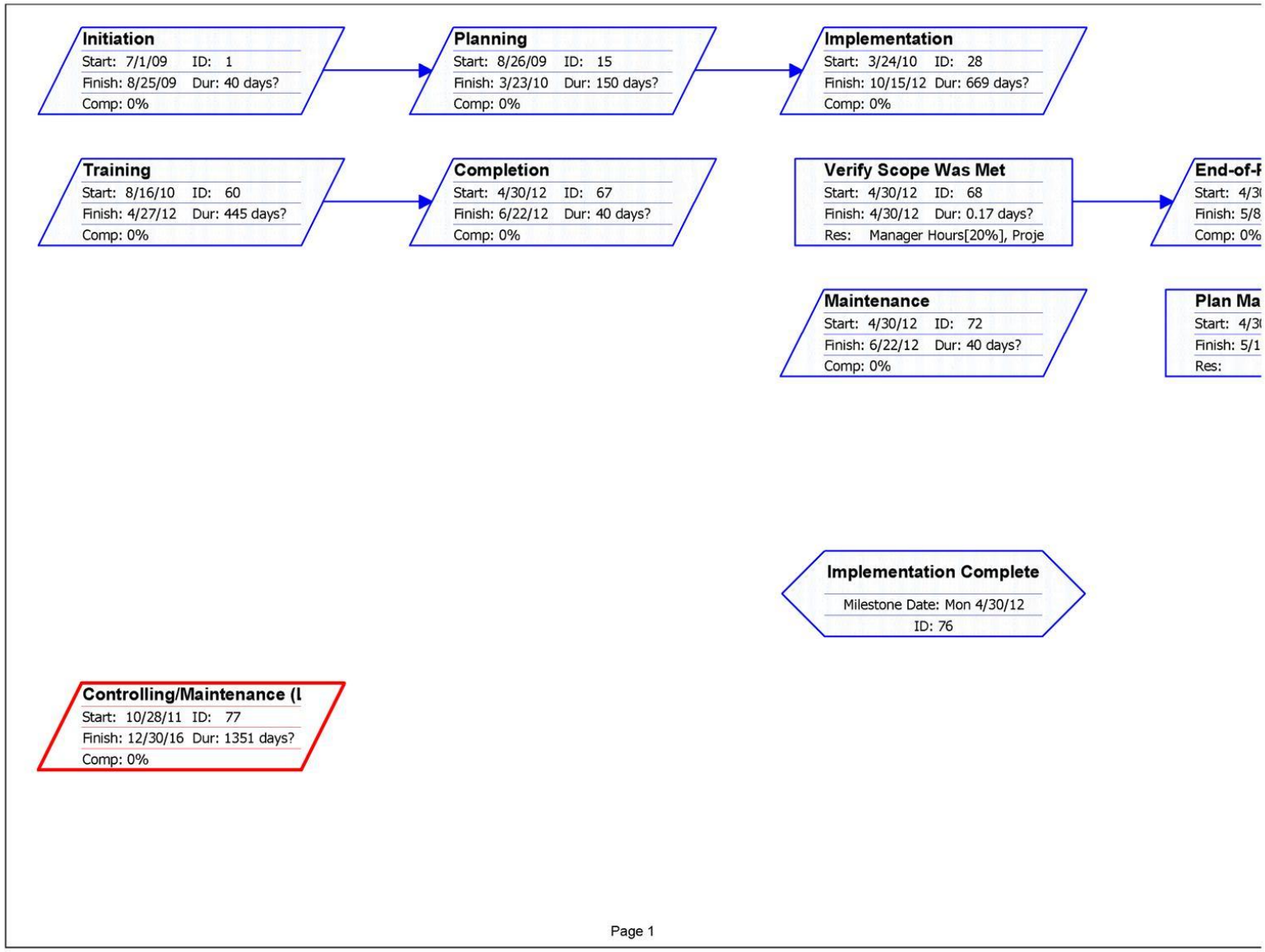

Initiation
Start: 7/1/09 ID: 1
Finish: 8/25/09 Dur: 40 days?
Comp: 0%
Planning
Start: 8/26/09 ID: 15
Finish: 3/23/10 Dur: 150 days?
Comp: 0%
Requirements Planning
Start: 8/26/09 ID: 16
Finish: 10/9/09 Dur: 33 days?
Comp: 0%
Determine Scope
Start: 8/26/09 ID: 17
Finish: 9/4/09 Dur: 8 days?
Res:
Estimate Timeline
Start: 8/26/09 ID: 18
Finish: 8/31/09 Dur: 4 days?
Res:
Estimate Cost
Start: 8/26/09 ID: 19
Finish: 9/4/09 Dur: 8 days?
Res:
Determine Required Techn
Start: 8/26/09 ID: 20
Finish: 9/11/09 Dur: 13 days?
Res:
Determine Personnel Requ
Start: 8/26/09 ID: 21
Finish: 9/11/09 Dur: 13 days?
Res:
Plan Communication with S
Start: 9/18/09 ID: 22
Finish: 9/18/09 Dur: 1 day?
Res:
Risk Management
Start: 9/18/09 ID: 23
Finish: 10/9/09 Dur: 16 days?
Res:
System Design
Start: 10/12/09 ID: 24
Finish: 3/8/10 Dur: 106 days?
Comp: 0%
Hardware
Start: 10/12/09 ID: 25
Finish: 12/7/09 Dur: 41 days?
Res:
Software
Start: 12/7/09 ID: 26
Finish: 3/8/10 Dur: 66 days?
Res:
Finalize Project Plan
Milestone Date: Tue 3/9/10
ID: 27
Implementation
Start: 3/24/10 ID: 28
Finish: 10/15/12 Dur: 669 days?
Comp: 0%
Training
Start: 8/16/10 ID: 60
Finish: 4/27/12 Dur: 445 days?
Comp: 0%
Completion
Start: 4/30/12 ID: 67
Finish: 6/22/12 Dur: 40 days?
Comp: 0%
Controlling/Maintenance (L
Start: 10/28/11 ID: 77
Finish: 12/30/16 Dur: 1351 days?
Comp: 0%
Page 1

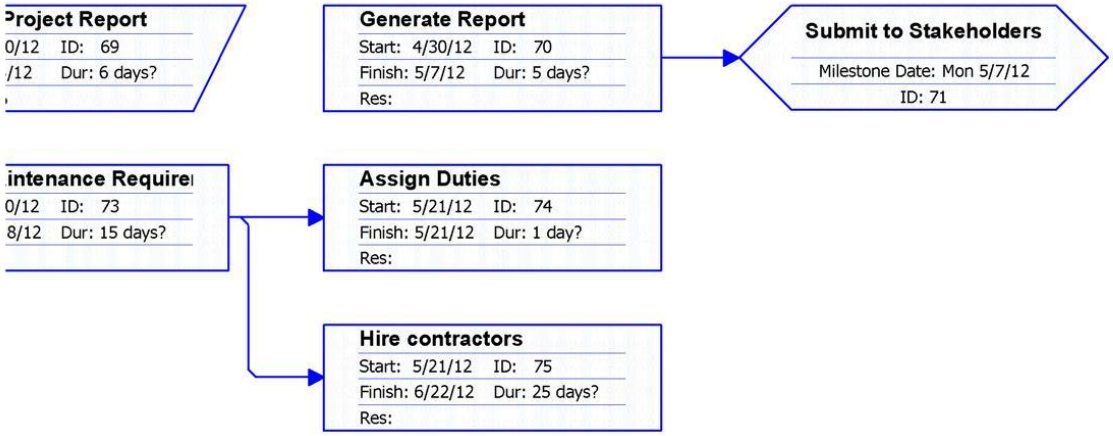

Initiation
Start: 7/1/09 ID: 1
Finish: 8/25/09 Dur: 40 days?
Comp: 0%
Planning
Start: 8/26/09 ID: 15
Finish: 3/23/10 Dur: 150 days?
Comp: 0%
Implementation
Start: 3/24/10 ID: 28
Finish: 10/15/12 Dur: 669 days?
Comp: 0%
Requirements Analysis
Start: 3/24/10 ID: 29
Finish: 5/24/10 Dur: 44 days?
Comp: 0%
Current System Analysis
Start: 3/24/10 ID: 30
Finish: 4/7/10 Dur: 11 days?
Res:
Determine Infrastructure U
Start: 3/29/10 ID: 31
Finish: 4/12/10 Dur: 11 days?
Res:
Determine Hardware Requi
Start: 4/13/10 ID: 32
Finish: 5/4/10 Dur: 16 days?
Res:
Determine Software Requi
Start: 4/06/10 ID: 33
Finish: 5/24/10 Dur: 21 days?
Res:
Allocate Resources
Start: 5/25/10 ID: 34
Finish: 8/13/10 Dur: 59 days?
Comp: 0%
Bid Pricing
Start: 5/25/10 ID: 35
Finish: 6/28/10 Dur: 25 days?
Res:
Purchase Required Resou
Start: 6/29/10 ID: 36
Finish: 8/10/10 Dur: 31 days?
Res:
Receive/Account for Purchased Resources
Milestone Date: Fri 7/16/10
ID: 37
Controlled (Test) Implemer
Start: 8/16/10 ID: 38
Finish: 6/27/11 Dur: 226 days?
Comp: 0%
Select users for test
Start: 8/16/10 ID: 39
Finish: 8/24/10 Dur: 7 days?
Res:
Enterprise-Wide (Productic
Start: 6/28/11 ID: 44
Finish: 10/15/12 Dur: 340 days?
Comp: 0%
Training
Start: 8/16/10 ID: 60
Finish: 4/27/12 Dur: 445 days?
Comp: 0%
Completion
Start: 4/30/12 ID: 67
Finish: 6/22/12 Dur: 40 days?
Comp: 0%
Controlling/Maintenance (L
Start: 10/28/11 ID: 77
Finish: 12/30/16 Dur: 1351 days?
Comp: 0%
Page 1


est with simulated da
3/30/10 ID: 40
12/10/10 Dur: 75 days?
Obtain feeedback
Start: 12/13/10 ID: 41
Finish: 3/18/11 Dur: 70 days?
Res:
Make changes as needed
Start: 3/21/11 ID: 42
Finish: 6/17/11 Dur: 65 days?
Res:
Get Go-Ahead Signoff for Production System
Milestone Date: Mon 6/20/11
ID: 43
cal Implementation
5/28/11 ID: 45
11/7/11 Dur: 95 days?
0%
Infrastructure
Start: 6/28/11 ID: 46
Finish: 9/5/11 Dur: 50 days?
Res:
Servers/Backend Hardware
Start: 9/6/11 ID: 47
Finish: 11/7/11 Dur: 45 days?
Res:
Workstations/Frontend Hai
Start: 9/6/11 ID: 48
Finish: 11/7/11 Dur: 45 days?
Res:
Software Implementation
Start: 11/8/11 ID: 49
Finish: 2/20/12 Dur: 75 days?
Comp: 0%
Server-side Software Instal
Start: 11/8/11 ID: 50
Finish: 1/9/12 Dur: 45 days?
Res:
Initial Configuration
Start: 1/17/12 ID: 52
Finish: 2/20/12 Dur: 25 days?
Res:
Client-Side Installation
Start: 11/8/11 ID: 51
Finish: 1/16/12 Dur: 50 days?
Res:
Customization
Start: 2/21/12 ID: 53
Finish: 6/18/12 Dur: 85 days?
Res: Project Manager Hours, Cons
Incremental Rollout
Start: 6/19/12 ID: 54
Finish: 10/1/12 Dur: 75 days?
Comp: 0%
Deploy to first department
Start: 6/19/12 ID: 55
Finish: 6/25/12 Dur: 5 days?
Res:
Feedback
Start: 6/26/12 ID: 56
Finish: 7/2/12 Dur: 5 days?
Res:
Make changes
Start: 7/3/12 ID: 57
Finish: 7/9/12 Dur: 5 days?
Res:
Repeat
Start: 7/10/12 ID: 58
Finish: 10/1/12 Dur: 60 days?
Res:
Rollout Completion Report
Milestone Date: Tue 10/2/12
ID: 59

Page 2


Initiation
Start: 7/1/09 ID: 1
Finish: 8/25/09 Dur: 40 days?
Comp: 0%
Planning
Start: 8/26/09 ID: 15
Finish: 3/23/10 Dur: 150 days?
Comp: 0%
Implementation
Start: 3/24/10 ID: 28
Finish: 10/15/12 Dur: 669 days?
Comp: 0%
Training
Start: 8/16/10 ID: 60
Finish: 4/27/12 Dur: 445 days?
Comp: 0%
Top-level Manager Training
Start: 8/16/10 ID: 61
Finish: 9/17/10 Dur: 25 days?
Comp: 0%
Proficiency Examination
Milestone Date: Mon 8/16/10
ID: 62
Middle-Management
Start: 9/20/10 ID: 63
Finish: 12/17/10 Dur: 65 days?
Comp: 0%
Proficiency Examination
Milestone Date: Mon 9/20/10
ID: 64
Employee End-User Traini
Start: 10/31/11 ID: 65
Finish: 4/27/12 Dur: 130 days?
Comp: 0%
Proficiency Examination
Milestone Date: Mon 10/31/11
ID: 66
Completion
Start: 4/30/12 ID: 67
Finish: 6/22/12 Dur: 40 days?
Comp: 0%
Controlling/Maintenance (l
Start: 10/28/11 ID: 77
Finish: 12/30/16 Dur: 1351 days?
Comp: 0%
Page 1


Initiation
Start: 7/1/09 ID: 1
Finish: 8/25/09 Dur: 40 days?
Comp: 0%
Planning
Start: 8/26/09 ID: 15
Finish: 3/23/10 Dur: 150 days?
Comp: 0%
Implementation
Start: 3/24/10 ID: 28
Finish: 10/15/12 Dur: 669 days?
Comp: 0%
Training
Start: 8/16/10 ID: 60
Finish: 4/27/12 Dur: 445 days?
Comp: 0%
Completion
Start: 4/30/12 ID: 67
Finish: 6/22/12 Dur: 40 days?
Comp: 0%
Verify Scope Was Met
Start: 4/30/12 ID: 68
Finish: 4/30/12 Dur: 0.17 days?
Res: Manager Hours[20%], Proje
End-of-
Start: 4/3
Finish: 5/8
Comp: 0%
Maintenance
Start: 4/30/12 ID: 72
Finish: 6/22/12 Dur: 40 days?
Comp: 0%
Plan Ma
Start: 4/3
Finish: 5/1
Res:
Implementation Complete
Milestone Date: Mon 4/30/12
ID: 76
Controlling/Maintenance (
Start: 10/28/11 ID: 77
Finish: 12/30/16 Dur: 1351 days?
Comp: 0%
Page 1

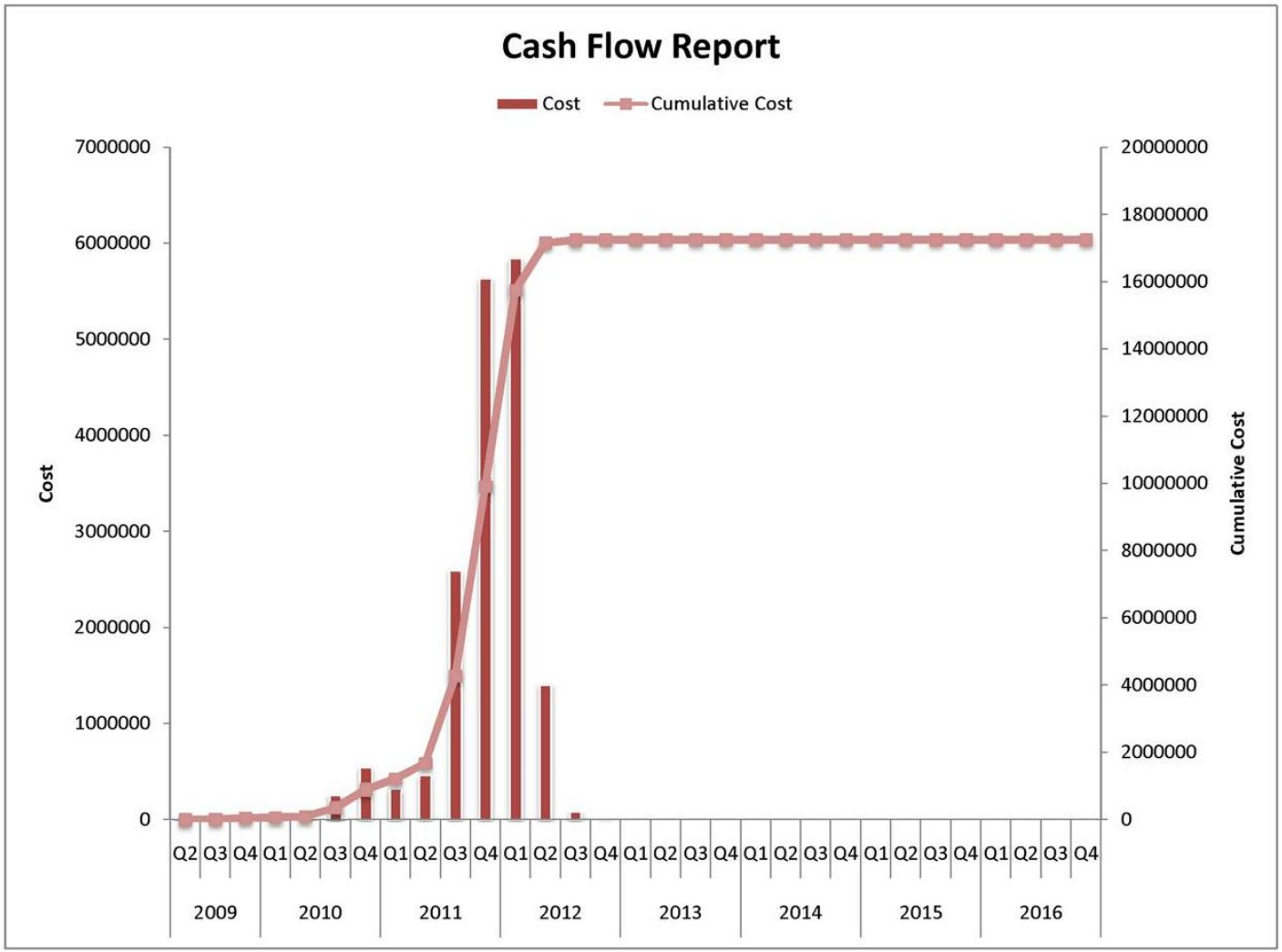

Project Report
0/12 ID: 69
/12 Dur: 6 days?
Generate Report
Start: 4/30/12 ID: 70
Finish: 5/7/12 Dur: 5 days?
Res:
Submit to Stakeholders
Milestone Date: Mon 5/7/12
ID: 71
intenance Require
0/12 ID: 73
8/12 Dur: 15 days?
Assign Duties
Start: 5/21/12 ID: 74
Finish: 5/21/12 Dur: 1 day?
Res:
Hire contractors
Start: 5/21/12 ID: 75
Finish: 6/22/12 Dur: 25 days?
Res:

PERT CHART

ID	Task Name	Duration	Optimistic Dur.	Expected Dur.	Pessimistic Dur.
1	**Initiation**	**40.17 days?**	**31 days**	**40 days?**	**58 days**
2	**Team Creation**	**5 days?**	**5 days**	**5 days?**	**5 days**
5	**Write Proposal**	**16 days?**	**10 days**	**16 days?**	**24 days**
6	Determine areas for improvement	10 days?	5 days	10 days?	15 days
7	Determine possible system configs.	10 days?	5 days	10 days?	15 days
8	Cost/benefit Analysis	6 days?	3 days	6 days?	9 days
9	**Meet with stakeholders**	**7.17 days?**	**5 days**	**7 days?**	**11 days**
10	Submit proposal	1.17 days?	1 day	1 day?	2 days
11	Obtain approval	6 days?	3 days	6 days?	9 days
12	**Project Charter**	**12 days?**	**6 days**	**12 days?**	**18 days**
13	Construct Project Charter	6 days?	3 days	6 days?	9 days
14	Formal stakeholder approval (Signoff)	6 days?	3 days	6 days?	9 days
15	**Planning**	**150 days?**	**152 days**	**150 days?**	**140 days**
16	**Requirements Planning**	**32.83 days?**	**36 days**	**33 days?**	**24 days**
17	Determine Scope	8 days?	4 days	8 days?	12 days
18	Estimate Timeline	4 days?	2 days	4 days?	6 days
19	Estimate Cost	8 days?	4 days	8 days?	12 days
20	Determine Required Technology Resources	13.17 days?	7 days	13 days?	20 days
21	Determine Personnel Requirements	13.17 days?	7 days	13 days?	20 days
22	Plan Communication with Stakeholders	1.17 days?	1 day	1 day?	2 days
23	Risk Management	16 days?	8 days	16 days?	24 days
24	**System Design**	**106 days?**	**86 days**	**106 days?**	**99 days**
25	Hardware	41.17 days?	21 days	41 days?	62 days
26	Software	66 days?	33 days	66 days?	99 days
27	Finalize Project Plan	11.17 days?	6 days	11 days?	17 days
28	**Implementation**	**675 days?**	**475 days**	**669 days?**	**1005 days**
29	**Requirements Analysis**	**43.83 days?**	**41 days**	**44 days?**	**41 days**
30	Current System Analysis	11.17 days?	6 days	11 days?	17 days
31	Determine Infrastructure Uprgrades	11.17 days?	6 days	11 days?	17 days
32	Determine Hardware Requirements	16 days?	8 days	16 days?	24 days
33	Determine Software Requirements	21.17 days?	11 days	21 days?	32 days
34	**Allocate Resources**	**59 days?**	**48 days**	**59 days?**	**85 days**
35	Bid Pricing	25.17 days?	13 days	25 days?	38 days
36	Purchase Required Resources	31.17 days?	16 days	31 days?	47 days
37	Receive/Account for Purchased Resources	21.17 days?	11 days	21 days?	32 days
38	**Controlled (Test) Implementation**	**226.17 days?**	**154 days**	**226 days?**	**336 days**
39	Select users for test	7.17 days?	4 days	7 days?	11 days
40	Run test with simulated data	75.17 days?	38 days	75 days?	113 days
41	Obtain feeedback	70 days?	35 days	70 days?	105 days
42	Make changes as needed	65.17 days?	33 days	65 days?	98 days
43	Get Go-Ahead Signoff for Production System	6 days?	3 days	6 days?	9 days
44	**Enterprise-Wide (Production) Implementation**	**346 days?**	**219 days**	**340 days?**	**543 days**
45	**Physical Implementation**	**95.17 days?**	**48 days**	**95 days?**	**143 days**
46	Infrastructure	50 days?	25 days	50 days?	75 days
47	Servers/Backend Hardware	45.17 days?	23 days	45 days?	68 days
48	Workstations/Frontend Hardware	45.17 days?	23 days	45 days?	68 days
49	**Software Implementation**	**75.17 days?**	**38 days**	**75 days?**	**113 days**
50	Server-side Software Installation	45.17 days?	23 days	45 days?	68 days
51	Client-Side Installation	50 days?	25 days	50 days?	75 days
52	Initial Configuration	25.17 days?	13 days	25 days?	38 days
53	Customization	85.17 days?	43 days	85 days?	128 days
54	**Incremental Rollout**	**80.5 days?**	**43 days**	**75 days?**	**144 days**
55	Deploy to first department	5.17 days?	3 days	5 days?	8 days
56	Feedback	5.17 days?	3 days	5 days?	8 days
57	Make changes	5.17 days?	3 days	5 days?	8 days
58	Repeat	65 days?	30 days	60 days?	120 days
59	Rollout Completion Report	10 days?	5 days	10 days?	15 days

60	**Training**	**445.17 days?**	**433 days**	**445 days?**	**458 days**
61	**Top-level Manager Training**	**25.17 days?**	**13 days**	**25 days?**	**38 days**
62	Proficiency Examination	25.17 days?	13 days	25 days?	38 days
63	**Middle-Management**	**65.17 days?**	**33 days**	**65 days?**	**98 days**
64	Proficiency Examination	65.17 days?	33 days	65 days?	98 days
65	**Employee End-User Training**	**136.67 days?**	**60 days**	**130 days?**	**240 days**
66	Proficiency Examination	136.67 days?	60 days	130 days?	240 days
67	**Completion**	**40.33 days?**	**21 days**	**40 days?**	**61 days**
68	Verify Scope Was Met	5.95 days?	9 days	0.17 days?	26 days
69	**End-of-Project Report**	**6.33 days?**	**4 days**	**6 days?**	**10 days**
70	Generate Report	5.17 days?	3 days	5 days?	8 days
71	Submit to Stakeholders	1.17 days?	1 day	1 day?	2 days
72	**Maintenance**	**40.33 days?**	**21 days**	**40 days?**	**61 days**
73	Plan Maintenance Requirements	15.17 days?	8 days	15 days?	23 days
74	Assign Duties	1.17 days?	1 day	1 day?	2 days
75	Hire contractors	25.17 days?	13 days	25 days?	38 days
76	Implementation Complete	1.17 days?	1 day	1 day?	2 days
77	**Controlling/Maintenance (Long-Term)**	**1351.17 days?**	**1351 days**	**1351 days?**	**1352 days**
78	**Post-Implementation Status Review**	**1221.17 days?**	**1221 days**	**1221 days?**	**1222 days**
79	**Year 1**	**241.17 days?**	**241 days**	**241 days?**	**242 days**
80	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
81	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
82	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
83	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
84	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
85	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
86	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
87	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
88	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
89	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
90	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
91	Monthly Review Meeting	1.17 days?	1 day	1 day?	2 days
92	**Year 2**	**196.17 days?**	**196 days**	**196 days?**	**197 days**
93	Quarterly Review Meeting	1.17 days?	1 day	1 day?	2 days
94	Quarterly Review Meeting	1.17 days?	1 day	1 day?	2 days
95	Quarterly Review Meeting	1.17 days?	1 day	1 day?	2 days
96	Quarterly Review Meeting	1.17 days?	1 day	1 day?	2 days
97	**Year 3**	**196.17 days?**	**196 days**	**196 days?**	**197 days**
98	Quarterly Review Meeting	1.17 days?	1 day	1 day?	2 days
99	Quarterly Review Meeting	1.17 days?	1 day	1 day?	2 days
100	Quarterly Review Meeting	1.17 days?	1 day	1 day?	2 days
101	Quarterly Review Meeting	1.17 days?	1 day	1 day?	2 days
102	**Year 4**	**130.17 days?**	**130 days**	**130 days?**	**131 days**
103	Biannual Review Meeting	1.17 days?	1 day	1 day?	2 days
104	Biannual Review Meeting	1.17 days?	1 day	1 day?	2 days
105	**Year 5**	**131.17 days?**	**131 days**	**131 days?**	**132 days**
106	Biannual Review Meeting	1.17 days?	1 day	1 day?	2 days
107	Biannual Review Meeting	1.17 days?	1 day	1 day?	2 days
108	**Post-Implementation Performance Audit**	**1046.17 days?**	**1046 days**	**1046 days?**	**1047 days**
109	Year 1	1.17 days?	1 day	1 day?	2 days
110	Year 2	1.17 days?	1 day	1 day?	2 days
111	Year 3	1.17 days?	1 day	1 day?	2 days
112	Year 4	1.17 days?	1 day	1 day?	2 days
113	Year 5	1.17 days?	1 day	1 day?	2 days

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Project Manager Hours		$33,600.00	$72,240.00	$41,832.00	$66,406.67						$214,078.67
Manager Hours		$7,840.00	$317,824.00	$40,320.00	$35,530.67						$401,514.67
Technician Hours			$5,600.00	$7,056.00	$42,000.00						$54,656.00
Employee Hours			$400,000.00	$3,384,000.00	$5,440,600.00						$9,224,600.00
Consultant Hours		$9,440.00	$25,920.00	$149,040.00	$314,300.00						$498,700.00
Workstations			$26,548.67	$3,633,451.33							$3,660,000.00
Servers			$530.97	$13,869.03							$14,400.00
Routers				$44,000.00							$44,000.00
Switches			$353.98	$128,446.02							$128,800.00
Cat 5e (1000ft)				$5,000.00							$5,000.00
SAP User License				$1,040,000.00	$960,000.00						$2,000,000.00
SAP Server License				$520,000.00	$480,000.00						$1,000,000.00
Total		$50,880.00	$849,017.63	$9,007,014.37	$7,338,837.33						$17,245,749.33



RESOURCE COSTS

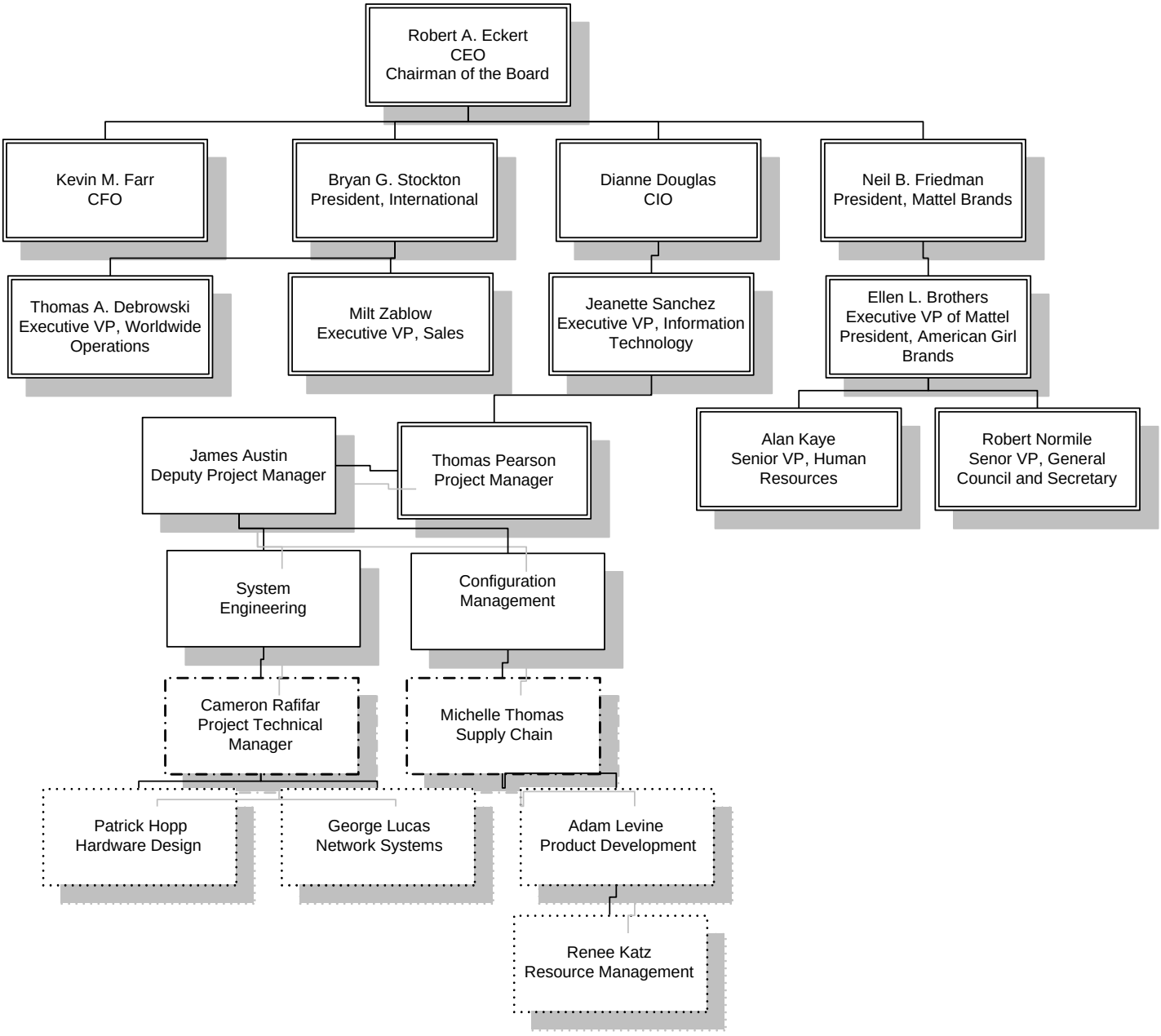
	Total
Project Manager Hours	$218,567.42
Manager Hours	$404,935.33
Technician Hours	$57,745.33
Employee Hours	$9,651,977.33
Consultant Hours	$520,716.67
Workstations	$3,660,000.00
Servers	$14,400.00
Routers	$44,000.00
Switches	$128,800.00
Cat 5e (1000ft)	$5,000.00
SAP User License	$2,000,000.00
SAP Server License	$1,000,000.00
Total	$17,706,142.08

COST-BENEFIT ANALYSIS:

While $20 million is certainly not a trivial amount, our team has established that these costs can be reconciled fairly quickly. Given the extremely large volumes of inventory Mattel regularly stores, even a small reduction in this storage would result in reduced variable costs, and potentially a reduction in fixed storage costs in the long term. Mattel routinely sells of sections of its business it no longer needs, and the sale of a small storage facility would be a good source of quick income in a rough financial year. Further, if even one lawsuit could be prevented by the advanced management tools the ERP offers, that would easily be worth the $20 million in prevented legal costs and negative publicity alone. The ERP systems modules, and the sales and distribution module in particular, offer many cost-saving benefits which well justify the price within three to five years.

PROJECT ORGANIZATIONAL STRUCTURE

PROJECT ORGANIZATIONAL CHART



RESPONSIBLY ASSIGNMENT MATRIX

	Initiation					Planning				Implementation			
Activities	**1.1.1**	**1.1.2**	**1.1.3**	**1.1.4**		**2.1.1**	**2.1.2**	**2.1.3**		**3.1.1**	**3.1.2**	**3.1.3**	**3.1.4**
Thomas Pearson	A	AP	P	AIDP		AIDP		AIR			A	AID	A
James Austin		AP	P	P		P						P	
Cameron Rafifar			P	P		P	AP					P	
Michelle Thomas			P	P		P				AID	AI	P	AI
Activities	**Training**				**Completion**				**Controlling**				
Thomas Pearson	**4.1.1**	**4.1.2**	**4.3.3**		**5.1.1**	**5.1.2**	**5.1.3**		**6.1.1**	**6.1.2**			
James Austin	P				APR	R	AID		AR	AR			
Cameron Rafifar	AP					P	P		AP	P			
Michelle Thomas		P				P	P		P	P			
		P				P	P		P	P			
Tasks													
A=Accountable													
I=Initiates													
D=Define Requirments													
P=Participant													
R=Review													

STAKEHOLDER ANALYSIS

STAKEHOLDERS	DOCUMENT NAME	DOCUMENT FORMAT	CONTACT PERSON	DUE DATE
CEO	Quarterly Report	Hardcopy/Email	Robert Eckert	Beginning of Quarter
CIO	Monthly Status Report	Hardcopy/Email	Dianne Douglas	Beginning of Month
Project Manager	Monthly Status Report	Hardcopy/Email	Thomas Pearson	Beginning of Month
Deputy Project Manager	Monthly Status Report	Email	James Austin	Beginning of Month
Technical Manager	Monthly Status Report	Email	Cameron Rafifar	Beginning of Month
Supply Chain Manager	Monthly Status Report	Email	Michelle Thomas	Beginning of Month
Shareholder	Quarterly Report	Hardcopy/Website	Shareholders	Beginning of Quarter
Customer Management	Monthly Status Report	Hardcopy/Email	Bob Jackson	Beginning of Month
Managerial Staff	Monthly Status Report	Email	Jack Bob	Beginning of Month
Non-Managerial Staff	Quarterly Report	Email	Employees	Beginning of Quarter

STATEMENT OF WORK

SCOPE OF WORK

Mattel Inc. has made the preliminary plans for implementing SAP R/3 Enterprise Resource Planning (ERP) software throughout the organization. In particular, Mattel must have a fully functional SAP R/3 SD (Sales and Distribution) Module that meets the organizations needs within three years of contractual agreement. Mattel has some in house IT staff that will work in unison with the contracted party-participating in the planning of hardware roll-out, software installation and configuration, and training of in house personnel. In house staff is primarily available and to be used for the specific details on configuration and how the outside party will need to implement the solution to satisfy Mattel's organizational goals and needs. It will be the responsibility of the outside party to ensure the proper procurement of hardware (servers, network stations, routers, and switches) and overseeing of the roll-out, while installing and configuring the SAP SD module; while guaranteeing the reliable transfer of existing Mattel data to the new system. This aspect of the implementation is a must, and generally should be within the initial planned budget and timeline as specified. Mattel seeks to offer a flexible agreement, which will utilizing a *cost plus incentive fee* based agreement.

In quick summary, Mattel must implement SAP's SD module to fully integrate all aspects of sales and distribution.

LOCATION OF WORK

Most work will be implemented and configured within the Mattel headquarters based in El Segundo, southern California. Proper servers and integration of old existing data should be properly integrated with the implementation of SAP at the headquarters. Proper networking configuration and setup will also be done here, to allow the needed connectivity to Mattel's satellite locations, including production/manufacturing departments, and inventory locations. In sum of this, most work will be done at headquarters, but not excluding the necessary changes and configurations to other locations to provide the full SAP ERP experience and benefits.

PERIOD OF PERFORMANCE

The full implementation of SAP R/3 within Mattel is to begin March 23, 2010, after initial in house planning. The entire project is expected to be completed within approximately two years, April 27, 2012. Within this time frame, specific detailed planning on the new system along with actual roll out with be completed, as well as a phase of debugging and finely tuning of the new SAP Module. In addition, training of in house staff should be completed, as well as any reports for additional staff.

DELIVERABLES SCHEDULE

The following gives a broad description of the project timeline with deliverables, with estimated time frames.

Project Stage	Details	Duration	Start Date	End Date
Planning Stage	Systems Analysis and Designing of current system. Pinpointing critical needs of new system, along with well defined requirements.	6 Months	10/12/2009	5/24/2010
Customization & Debugging	Allocation of resources and testing and debugging of software modules. Simulation of data and customization.	13 Months	5/25/2010	6/27/2011
Implementation	Full scale implementation, involving all departments and key individuals. Physical and Software installations, along with Incremental rollouts. Prototype modules if any.	7 Months	6/28/2011	1/20/2012
Training & Wrap Up	Company wide level training for new software and modules, including examinations. Verification of scope, and requirements met.	9 Months	8/6/2011	5/4/2012
Support And Maintenance	Long Term Maintenance of new system. Monthly review meetings, audits, and overall evaluation of the system.	Approximately 44 Months	4/30/2012	Approximately 12/30/16

ACCEPTANCE CRITERIA

The ERP will satisfy the company's specifications for operations with limited flexibility. In other words, the ERP will be molded to fit the company's needs and ways of performing business processes. Any reasonable flexibility here should be determined in the planning stages.

SPECIAL REQUIREMENTS

Some traveling may be required for configuring and setting up hardware/software in satellite locations, linking them up with Mattel headquarters. In addition, Mattel would like to have specialized professionals, certified in the SAP education programs. More consideration and preference is weighted on technical skills with SAP, as opposed to individuals with degrees, although it is recommended. In any such case, we prefer expertise over any such educational references. In addition, out of the contracted team, we require some personnel with understanding of overall business processes, and organizational needs. We prefer these roles to hold some higher level education in Information Systems, preferably with graduate degree status.

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